

Annual budget of *Siyancuma Municipality*

2013/14 TO 2015/16
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

VISION

A sustainable and economically viable community where residents enjoy a high quality of life.

MISSION

To economically and socially develop and empower the community through transparent, accountable, and democratic governments and by utilizing all available resources and human skills.



Copies of this document can be viewed:
In the foyers of all municipal buildings
All public libraries within the municipality

Table of Contents

APART 1 – ANNUAL BUDGET	2
1.1 MAYOR’S REPORT.....	2
1.2 COUNCIL RESOLUTIONS	8
1.3 EXECUTIVE SUMMARY	9
1.4 OPERATING REVENUE FRAMEWORK	11
1.5 OPERATING EXPENDITURE FRAMEWORK.....	20
1.6 CAPITAL EXPENDITURE	25
1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY.....	26
PART 2 – SUPPORTING DOCUMENTATION	43
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS	43
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	45
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	51
2.4 OVERVIEW OF BUDGET RELATED-POLICIES	55
2.5 OVERVIEW OF BUDGET ASSUMPTIONS	55
2.6 OVERVIEW OF BUDGET FUNDING	56
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS.....	66
2.8 COUNCILLOR AND EMPLOYEE BENEFITS.....	68
2.9 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	78
2.10 CAPITAL EXPENDITURE DETAILS	78
2.11 LEGISLATION COMPLIANCE STATUS	86
2.12 OTHER SUPPORTING DOCUMENTS.....	86
2.15 MUNICIPAL MANAGER’S QUALITY CERTIFICATE	ERROR! BOOKMARK NOT DEFINED.

List of Tables

Table 2 Summary of revenue classified by main revenue source.....	122
Table 3 Percentage growth in revenue by main revenue source	123
Table 4 Operating Transfers and Grant Receipts	144
Table 5 Comparison of proposed rates to levied for the 2011/12 financial year	166
Table 6 Proposed Water Tariffs	166
Table 7 Comparison between current water charges and increases (Domestic)	17
Table 8 Comparison between current Electricity charges and increases (Domestic).....	17
Table 9 Comparison between current sanitation charges and increases.....	18
Table 11 MBRR Table SA14 – Household bills.....	20
Table 12 Summary of operating expenditure by standard classification item	16
Table 13 Operational repairs and maintenance	18
Table 14 Repairs and maintenance per asset class.....	240
Table 15 2011/12 Medium-term capital budget per vote	25
Table 16 MBRR Table A1 - Budget Summary	27

Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	27
Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	28
Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure).....	32
Table 21 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	34
Table 22 MBRR Table A6 - Budgeted Financial Position	35
Table 23 MBRR Table A7 - Budgeted Cash Flow Statement	37
Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	36
Table 25 MBRR Table A9 - Asset Management	37
Table 26 MBRR Table A10 - Basic Service Delivery Measurement	39
Table 30 IDP Strategic Objectives	46
Table 29 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating	
Table 31 MBRR Table SA7 - Measurable performance objectives.....	53
Table 32 Breakdown of the operating revenue over the medium-term	57
Table 33 MBRR SA15 – Detail Investment Information	57
Table 35 MBRR Table SA 17 - Detail of borrowings	Error! Bookmark not defined.
Table 36 MBRR Table SA 18 - Capital transfers and grant receipts	60
Table 37 MBRR Table A7 - Budget cash flow statement.....	61
Table 38 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation	67
Table 39 MBRR SA10 – Funding compliance measurement.....	69
Table 40 MBRR SA19 - Expenditure on transfers and grant programmes.....	66
Table 41 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds.....	67
Table 42 MBRR SA22 - Summary of councillor and staff benefits	68
Table 43 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)	70
Table 44 MBRR SA24 – Summary of personnel numbers	71
Table 45 MBRR SA25 - Budgeted monthly revenue and expenditure	73
Table 46 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote).....	73
Table 47 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification).....	74
Table 48 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)	75
Table 49 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)	76
Table 50 MBRR SA30 - Budgeted monthly cash flow.....	77
Table 51 MBRR SA 34a - Capital expenditure on new assets by asset class.....	79
Table 58 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	80
Table 52 MBRR SA34c - Repairs and maintenance expenditure by asset class.....	81
Table 53 MBRR SA35 - Future financial implications of the capital budget	83
Table 54 MBRR SA36 - Detailed capital budget per municipal vote	84
Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance	86
Table 57 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department).....	88

Table 58 MBRR Table SA3 – Supporting detail to Statement of Financial Position	89
Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions.....	89
Table 60 MBRR SA32 – List of external mechanisms	91

List of Figures

Figure 1 Main operational expenditure categories for the 2013/14 financial year	
Figure 2 Capital Infrastructure Programme	
Figure 3 Expenditure by major type.....	
Figure 4 Depreciation in relation to repairs and maintenance over the MTREF	
Figure 5 Planning, budgeting and reporting cycle	
Figure 6 Definition of performance information concepts.....	

Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
NT	National Treasury
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
RDP	Reconstruction and Development Plan
SALGA	South African Local Government Association
SAPS	South African Police Service
SCMP	Supply Chain Management Policy
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

BUDGET SPEECH BY COUNCILLOR LORRAINE OLIPHANT, MAYOR OF SIYANCUMA MUNICIPALITY ON THE 2013/14 FINANCIAL YEAR

To the councillors of the Siyancuma Municipality;

The invited guests;

The Municipal Manager and the various Directors within the municipality;

Partners in local government and

Dear people of Siyancuma.

Councillors, when the people of Siyancuma expressed themselves on the 18th May 2011, we knew that we had a rather tough task and this task finds its expression in the dire circumstances that our people find themselves in on a daily basis. In this regard, fellow councillors, we collectively accepted the responsibility to create descent work and work tirelessly and in prudence in pursuit of a better life for all the peoples of Siyancuma.

Recently ladies and gentlemen, the Siyancuma Council went on retreat to examine and explore its vocation towards the people of Siyancuma and as such, the overwhelming mandate that was given to the collective council by the communities of Siyancuma. At this retreat we, re-crafted our vision and came out boldly to declared our vision to be:

“ a municipality focused on effective service delivery ‘*underpinned*’ by economic sustainability”.

A deeper reflection on the vision adopted by council in early May has a few critical issues that I would briefly like to reflect on and these are:

Our consciousness towards effective service delivery.

In this regard, we wish to reassure the communities and our partners in service delivery that we remain committed to our quest for service delivery and are steadfast on the mandate given to us just over two years ago. We are particularly keen on improving the organisational culture and in this regard ensure that everyone is united in our service deliver endeavours.

Our ideals of uniting our municipality into one functional unit

The new local government system came into effect on the 5th December 2000 and thirteen years later, we find a situation where the other towns in the form of Schmidtsdrift, Campbell and Griekwastad, as well as the more rural areas, don't quite feel like part of the municipality. We also have a situation where the workforce is not moving in the same direction at the same pace. We therefore through this vision, wish to correct what could become a very grave situation if left unaddressed.

Our understanding of what it takes to become a municipality focused on service delivery

Ladies and gentlemen, our vision states boldly that our quest for effective service delivery is underpinned by economic sustainability, this means that Siyancuma Municipality will do so, much to its peril if it does not create an environment for economic development and investment. In this regard, investment attraction and retention shall be our key drivers.

The concept of investment attraction and retention is not an event but a process characterised by prudence in the manner in which the municipality is governed and managed. This equally means increasing investor confidence by creating a citizenry geared for such growth and development.

Councillors I affirm that indeed whilst having had an honest look at ourselves, we also stopped and agreed that ours is a unique municipality, rich with resources and the cultures. We as council accept and embrace such diversity and commit to enhancing it. To this extent this budget is a product of a rigorous community

participation process, firstly through the IDP process and later through the Budget Consultation Sessions. I want to assure you that your inputs were indeed taken into account.

Talking about the IDP, Municipal Manager allow me to state that whilst council adopted the IDP, the final IDP will only be adopted at the end of June and before then, the municipality will need to ensure alignment and synergy between the IDP, Budget and SDBIP. Therefore this budget is a critical package of the IDP and will be a sector plan, seeking to address the much talked about alignment of IDPs and Budgets.

Having said the above councillors here is the budget for 2013/14:

It is my pleasure to present a budget of a total expenditure of **R174 634 724.00**. This total expenditure is divided into two major components and these are:

Operating Budget of R 148 119 724

From this total operating budget the total employee related costs are **R 43 048 607.00** and this account for **26,5%** of the total budget. I am glad to announce that this is below the nationally accepted norm of 35%. In reality ladies and gentlemen, it means we are utilising our human resources prudently and thus giving us room for human resources expansion should it be deemed necessary in the future.

Capital Budget of R 26 515 000

The Capital Budget that has been committed to date is R26 515 000 and we remain hopeful that this figure will be adjusted upwardly with more funding commitments from our various service delivery partners in government. This capital budget will be spent as follows:

- Office Equipment and computers to the tune of R610 000
- Libraries R 630 000
- Electricity R 2 600 000
- Water R 19 475 000

- **Waste Water Management R 3 200 000**

The Capital Budget accounts for 16, 5% of the total budget of the municipality. This could be attributed to the fact that according to Census 2011, there has been a decline in the population of Siyancuma from a population of just over 39000 to just over 37 000 people.

Ladies and gentlemen, you will note that this capital budget inhibits the municipality from implementing all its priorities as outlined in the IDP. This situation is further exacerbated by the fact that the municipality is unable to utilise its own plant (white fleet) for our day-to-day operations. Had we had our own plant, we would have been able to spend more time providing effective and reliable services. It is therefore our desire to explore the desirability and feasibility of taking up a loan for this purpose.

Councillors, in order to fund the expenditure of the municipality, the municipality will have to put in place a number of revenue related measures and it is hoped that these will reach a total of R 150 172 199. This is accounted for in the form of grants from National Government and these are viz:

Equitable Share	R 36,842 million
Financial Management Grant	R 1,650 million
Municipal Systems Improvement Grant	R 890,000
Expanded Public Works Programme	R 1 million
Municipal Infrastructure Grant	R 19,474 million
Integrated National Electrification Programme	R 2,6 million
ACIP	R 3,2 million
Library Grant	R 630,000 thousand

The municipality will however need to generate their own income by delivering services to its customers and collect property rates tax from all property owners

within the municipality. In this regard the taxes and tariffs for services delivered will be affected as such:

Rates Residential		0.010551
Electricity Basic Residential		R 141.13
Consumption	Block 1	R 0.77 per unit
	Block 2	R 0.83
	Block 3	R 1.13
	Block 4	R 1.34
Water Basic Residential		R 53.51
Consumption	Block 1	R 5.34 per kilolitre
	Block 2	R 6.26
	Block 3	R 6.31
Waste Management Residential		R 79.86 per month
Waste Water Management Residential		R 100.29 per month

Councillors in the presence of all stakeholders and in particular the communities, allow me to reflect on the state of outstanding debt in the municipality. The Siyancuma Municipality is owed a total of over R63 million by its customers. This in effect would have meant that the municipality would have had more than R 86 million in capital projects. Can you imagine how much can be done with R 86 million?

It is our hope to recover this amount of money and in the process supplement our service delivery efforts. In this regard, I urge councillors to be vigilant in the encouragement of customers to pay their rates and taxes and once more for the indigents, we have a process that governs our assistance to them and we need to encourage them to register.

Having said that I think we are all in agreement that we will start with our own officials and councillors who have outstanding municipal debt and we must consistently take a no-nonsense approach towards this. Councillors as you will remember, the Municipal Manager could not stop emphasising that theft and corruption begins with such small acts.

In conclusion, I believe that the Siyancuma Municipality is on a growth trajectory. In this regard not only have we put in place plans for development, we have also vigorously taken pain to develop a positive organisational culture and have adopted new values and these are:

- ✓ Honesty
- ✓ Responsibility
- ✓ Accessibility
- ✓ Corruption Free
- ✓ High work ethic
- ✓ Rule of law
- ✓ Integrity

Councillors, the officials and in particular the Directors have committed to ensuring that they will institutionalise these values and as such ensure a culture shift within the municipality. I believe that the success of this budget lies in those efforts and the efforts of the collective to be conscious and diligent in the execution of their duties.

Enkosi

Baie dankie

Thank you

Ke a leboga

1.2 Council Resolutions

On 30 May 2013 the Council of Siyancuma Municipality Local Municipality met in the Council Chambers of Siyancuma Municipality to consider the draft annual budget of the municipality for the financial year 2013/14. The Council approved and adopted the following resolutions:

1. The Council of Siyancuma Municipality Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The draft annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 15 on page 29;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 16 on page 30;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 18 on page 32; and
 - 1.1.4. Single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 19 on page 34.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 20 on page 35;
 - 1.2.2. Budgeted Cash Flows as contained in Table 20 on page 37
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 21 on page 37;
 - 1.2.4. Asset management as contained in Table 22 on page 39; and
 - 1.2.5. Basic service delivery measurement as contained in Table 24 on page 40
2. The Council of Siyancuma Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013 tariffs as per the attached annexure.
3. The Council of Siyancuma Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013 the tariffs for other services, as set out as per the attached annexure.
4. To give proper effect to the municipality's annual budget, the Council of Siyancuma Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers including the appointment of SEBATA for a period of two months to assist with these strategies. Outstanding debtors who can afford to pay, and are not paying are handed over to Herman van Heerden Attorneys for collections. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. One of the initiatives that is used to encourage customers to pay is that rebates are given to those customers who paid their arrear accounts in full. Special attention is given to customer enquiries regarding service delivery. A complaints register is implemented and complaints are dealt within 48 hours.

National Treasury's MFMA Circular No. 66 and 67 were used to guide the compilation of the 2013/14 MTREF.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The increased cost of bulk water and electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- The municipality prioritise bucket eradication, but although the backlogs were addressed in previous financial years, the challenge is the increase of housing development in the rural areas where bucket systems are temporarily installed;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Availability of funding for priority capital projects – Schmidtsdrift is a new area which form part of Siyancuma's service deliverables. Bulk purchases, new infrastructure development and maintenance expenses are expected to increase, whilst revenue will not cover costs due to the indigent numbers in this area.
- Availability of affordable capital.

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- The 2012/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2013/14 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;

- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs.
- Additional services must be delivered to Schmidtsdrift community and was factored into the capital and operating budget.
- The municipality earmarked R65 million of MIG funding towards the upgrading of gravel roads in the Siyancuma Municipal area over next 3 year period. This project started in March 2013.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-Term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2013/14 MTREF

DESCRIPTION	ADJUSTED BUDGET 2012/13	BUDGET YEAR 2013/14	BUDGET YEAR 2014/15	BUDGET YEAR 2015/16
Total operating revenue	95 607 000	116 054 000	124 894 000	134 031 000
Total operating expenditure	119 597 000	129 328 000	135 895 000	149 156 000
Surplus(deficit) for the year	(22 990 000)	(13 273 000)	(11 001 000)	(15 125 000)
Total capital expenditure	34 137 000	25 905 000	26 223 000	18 588 000

Total operating revenue has increased by 21.4 per cent or R20 447 million for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget (before non cash items and repairs and maintenance). For the two outer years, operational revenue will increase by 7.6 and 7.3 per cent respectively, equating to a total revenue growth of R38 424 million over the MTREF when compared to the 2012/13 financial year.

Total operating expenditure for the 2013/14 financial year has been appropriated at R129 328 million and translates into a budgeted deficit of R13 273 million. When compared to the 2012/13 Adjustments Budget (before non cash items and repairs and maintenance), operational expenditure has increased by 8.1 per cent in the 2013/14 budget and by 5.1 and 9.8 per cent for each of the respective outer years of the MTREF. The operating deficit for 2013/14 decreased to R13 273 million and decreased again to R11 001 million deficit.

MFMA Circular 55 states that there is no legal requirement that the operating budget must be balanced or be in surplus. However, the deficit in Siyancuma Municipality's operating budget is due to "non-cash items" to the total of R23 897 million; consisting of provision for debt Impairment amounting to R8 million, depreciation and asset impairment of R9,373 million and provision for the rehabilitation of land fill sites amounting to R6,525 million.

The current implementation of GRAP 17 caused an increase in depreciation and asset impairment that is not fully accommodated in the municipality's tariffs and as a result contributed to the deficit. Measures are put in place to collect outstanding debtors by handed it over for

collection by Herman van Heerden Attorneys. The result already proofed to be effective and from 28 May 2012, a debt collection unit was established within the municipality.

The capital budget of R26 515 million for 2013/14 is less than the capital budget in the 2012/13 Adjustment Budget (R35 947 million). The high amount in the adjustment budget is due to a rollover of MIG funds from the previous year to the amount of R12 400 million. A substantial portion of the capital budget will be funded from grants over MTREF. Grants will also contribute the major portion of the funding for the capital expenditure in the two outer years. The remainder of the funds for the 2013/14 year will be funded from internally generated funds amounting to R610 thousand.

1.4 Operating Revenue Framework

For Siyancuma Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with maintenance backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 75 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

NC078 Siyancuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Worthing Borough Council - Table A4 Budgeted Financial Performance (Revenue and Expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	4 832	5 734	5 768	7 556	8 018	8 018	8 018	9 326	10 143	10 853
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	18 010	19 813	16 801	23 354	25 693	25 693	25 693	32 262	34 521	36 937
Service charges - water revenue	2	6 388	8 021	9 548	10 310	10 310	10 310	10 310	12 826	13 723	14 684
Service charges - sanitation revenue	2	3 832	4 465	5 169	4 716	5 950	5 950	5 950	5 606	5 999	6 418
Service charges - refuse revenue	2	3 197	3 825	4 287	4 602	4 914	4 914	4 914	5 349	5 724	6 124
Service charges - other		-			206	230	230	230	161	172	184
Rental of facilities and equipment		309	341	216	339	375	375	375	1 005	1 076	1 151
Interest earned - external investments		355	680	970	260	260	260	260	260	260	260
Interest earned - outstanding debtors		301	390	473	370	530	530	530	530	400	430
Dividends received					-	-	-	-			
Fines		109	61	51	4 600	748	748	748	7 324	7 837	8 385
Licences and permits		4	5	7	241	-	-	-			
Agency services		552	616	533	-	-	-	-	711	761	814
Transfers recognised - operational		23 003	27 307	34 004	37 981	37 981	37 981	37 981	40 276	43 839	47 319
Other revenue	2	937	1 846	1 271	438	599	599	599	419	441	471
Gains on disposal of PPE				25							
Total Revenue (excluding capital transfers and contributions)		61 830	73 105	79 123	94 973	95 607	95 607	95 607	116 054	124 894	134 031
Expenditure By Type											
Employee related costs	2	20 163	20 813	28 349	35 056	38 988	38 988	38 988	43 049	45 201	48 366
Remuneration of councillors		1 866	1 933	2 322	2 615	2 907	2 907	2 907	3 187	3 242	3 469
Debt impairment	3	1 572	6 650	8 124	8 000	8 000	8 000	8 000	8 000	8 400	8 820
Depreciation & asset impairment	2	9 777	9 961	11 034	9 180	9 296	9 296	9 296	9 373	10 029	10 731
Finance charges		1 319	1 930	1 526	450	450	450	450	450	473	563
Bulk purchases	2	11 922	14 652	20 925	24 875	27 850	27 850	27 850	30 350	31 868	38 153
Other materials	8					-	-	-			
Contracted services		739	-	-	3 107	3 223	3 223	3 223	3 457	3 630	3 884
Transfers and grants		4 758	4 479	4 751	7 297	7 237	7 237	7 237	7 672	8 055	8 619
Other expenditure	4, 5	7 634	15 229	11 230	20 099	21 645	21 645	21 645	23 789	24 997	26 552
Loss on disposal of PPE			-	62							
Total Expenditure		59 749	75 647	88 323	110 679	119 597	119 597	119 597	129 328	135 895	149 156
Surplus/(Deficit)		2 081	(2 541)	(9 200)	(15 706)	(23 990)	(23 990)	(23 990)	(13 273)	(11 001)	(15 125)
Transfers recognised - capital		16 790	17 029	7 122	26 737	34 137	34 137	34 137	25 905	26 223	18 588
Contributions recognised - capital	6	-	-	1 671	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Taxation											
Surplus/(Deficit) after taxation		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463

Table 3 Percentage growth in revenue by main revenue source

R thousand	Current year 2012/13		2013/14 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK					
	Adjusted Budget	%	Budget Year 2013/14	2012/13 - 2013/14 (Year on Year)	Budget Year +1 2014/15	2013/14- 2014/15 (Year on Year)	Budget Year +2 2015/16	2014/15- 2015/16 (Year on Year)
Revenue By Source								
Property rates	8018	16%	9 326	9%	10 143	7%	10 853	
Property rates - penalties & collection charges	0		0		0		0	
Service charges - electricity revenue	25 963	24%	32 262	7%	34 521	7%	36 937	
Service charges - water revenue	10 310	24%	12 826	7%	13 723	7%	14 684	
Service charges - sanitation revenue	5 950	-6%	5 606	7%	5 999	7%	6 418	
Service charges - refuse revenue	4 914	9%	5 349	7%	5 724	7%	6 124	
Service charges other	230	-30%	161	7%	172	7%	184	
Rental of facilities and equipment	375	168%	1005	7%	1 076	7%	1 151	
Interest earned - external investments	260	0%	260	7%	260	7%	260	
Interest earned - outstanding debtors	530	0%	530	7%	400	8%	430	
Fines	748	879%	7 324	7%	7 837	7%	8 385	
Licences and permits	0	0%	0		0		0	
Agency services		9%	711	7%	761	7%	814	
Transfers recognised - operational	37 981	6%	40 276	9%	43 839	8%	47 319	
Other revenue	599	-30%	419	5%	441	7%	471	
Total Revenue (excluding capital transfers and contributions)	95 607		116 054		124 894		134 031	
Total Revenue from Rates and Service Charges	57 626	31%	75 778	7%	81 055	7%	86 712	

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than 60 percent of the total revenue mix for the 2013/14 financial year. In the 2012/13 financial year, revenue from rates and services charges totalled R57 626 million or 60% percent of operating revenue. This increases to R75 778 million, R81 055 million and R86 712 million for the respective years over the MTREF. A notable trend is that percentage of rates and services charges in relation to total operating expenditure stay yearly the same at 65% at the end of the MTREF period. The above table includes revenue foregone arising from discounts and rebates associated with property rates according to the rates/tariff policies of the municipality (Rates = rates minus revenue forgone).

Electricity is the largest (28%:R32 262), water second largest (11%:R12 826) property rates third largest (8%:R9 326) contributors to revenue.

Operating grants and transfers totals R40 276 million in the 2013/14 financial year and steadily increases to R47 319 million by 2015/16. Note that the year-on-year growth for the 2013/14 and 2014/15 financial years are 6 and 9 per cent respectively and decrease to 8 per cent in the 2015/16 financial year.

Table 4 Operating Transfers and Grant Receipts (SA18)

NC078 Siyancuma - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		29 034	34 820	36 808	37 205	37 205	37 205	40 906	43 789	47 319
Local Government Equitable Share		20 680	25 280	31 614	34 281	34 281	34 281	36 736	41 105	44 402
Finance Management		850	1 200	1 450	1 500	1 500	1 500	1 650	1 750	1 950
Municipal Systems Improvement		750	750	790	800	800	800	890	934	967
Water Services Operating Subsidy										
Integrated National Electrification Programme		922	1 483	2 308				1 000	-	-
EPWP Incentive										
Other transfers/grants		5 832	6 106	646	624	624	624	630	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Health subsidy										
Sport and Recreation			-	-						
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
LGSETA										
Royalties/Mines										
Total Operating Transfers and Grants	5	29 034	34 820	36 808	37 205	37 205	37 205	40 906	43 789	47 319
Capital Transfers and Grants										
National Government:		12 039	12 567	16 910	21 113	21 113	21 113	25 275	18 023	18 588
Municipal Infrastructure Grant (MIG)		12 039	12 567	16 910	20 513	20 513	20 513	19 475	16 023	16 588
Rural Households Infrastructure								3 200	-	-
Regional Bulk Infrastructure										
Electrification Grant					600	600	600	2 600	2 000	2 000
Provincial Government:		488	-	-	-	-	-	-	-	-
Housing		488								
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
LGSETA										
Total Capital Transfers and Grants	5	12 527	12 567	16 910	21 113	21 113	21 113	25 275	18 023	18 588
TOTAL RECEIPTS OF TRANSFERS & GRANTS		41 561	47 387	53 718	58 318	58 318	58 318	66 181	61 812	65 907

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must consider in their budget documentation the inflation forecasts as per MFMA Circular 66 and 67. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom's bulk tariffs are far beyond the mentioned inflation target. Given that this tariff increase is determined by NERSA, the impact on the municipality's electricity bill is largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum rebate of 50 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur

sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2013/14 financial year based on a 10 per cent increase from 1 July 2013 is contained below:

Table 5 Comparison of proposed rates to levied for the 2013/14 financial year

Category	Current Tariff (1 July 2012)	Proposed tariff (from 1 July 2013)
	C	C
Residential properties	0.009592	0.010551
State owned properties	0.009592	0.010551
Business & Commercial	0.010464	0.011510
Agricultural	0.001000	0.002210
Vacant land	0.009592	0.010551
Municipal rateable	0.009592	0.010551
Industrial	0.009592	0.010551
Building Clause	0.045080	0.049590
Public benefit organisation properties	0.009592	0.010551

1.4.2 Sale of Water and Impact on Tariff Increases

Siyancuma municipality carefully review the level and structure of water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Water is supplied by Vaal Oranje Water Board, which did not increase its bulk tariffs significantly and enable the municipality to increase their tariffs with 10% from 1 July 2013.

In addition 6 kℓ water per 30-day period will again be granted free of charge to Indigent Households.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2012/13	PROPOSED TARIFFS 2013/14
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
Free for Indigents 0-6kl	0	0

CATEGORY	CURRENT TARIFFS 2012/13	PROPOSED TARIFFS 2013/14
	Rand per kℓ	Rand per kℓ
Consumption 0 – 6kl	4.69	5.34
Consumption 7 – 50kl	5.49	6.26
Consumption > 50kl	5.53	6.31

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 7 Comparison between current water charges and increases (Domestic)

Monthly consumption kℓ	Current amount Payable 2012/13 R	Proposed amount Payable 2013/14 R	Difference (Increase) R	Percentage change
6	28.14	32.04	3.90	13.9%
50	279.50	315.50	18.50	12.9%

The tariff structure of the 2013/14 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R6.31 per kilolitre for consumption in excess of 50kℓ per 30 day period.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure resulting in a 8 per cent increase in the Eskom bulk electricity tariff to municipalities from 1 July 2013.

Considering the Eskom increases, the electricity tariff of the municipality increased by 7 per cent to offset the additional bulk purchase cost from 1 July 2013. Furthermore, it should be noted that given the high tariff increase, the municipality is expecting a reduction in the growth of electricity consumption, which will have a negative impact on the municipality's revenue from electricity sales.

The difference between the bulk purchase increase and tariff increase of 1% will result in a loss in electricity revenue for the municipality.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs for domestic customers:

Table 8 Comparison between current electricity charges and increases (Domestic)

DOMESTIC TARIFFS				COMMERCIAL
DOMESTIC BLOCK 1 0-50kWh	DOMESTIC BLOCK 2 51-350kWh	DOMESTIC BLOCK 3 351-600kWh	DOMESTIC BLOCK 4 > 600kWh	Conventional
(c/kWh)	(c/kWh)	(c/kWh)	(c/kWh)	(c/kWh)
77	83	1.13	1.34	99

It should further be noted that NERSA had advised that a stepped tariff structure needs to be implemented from 1 July 2012. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 8 per cent for sanitation from 1 July 2013 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 20 per cent of waste water treatment input costs, therefore the higher than CPI increase of 8 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation will be applicable to registered indigents only, for buckets an amount of R66.85 and vacuum tanks R100.29; and
- The total revenue expected to be generated from rendering sanitation service amounts to R5 606 million for the 2013/14 financial year.

The following table compares the current and proposed tariffs:

Table 9 Comparison between current sanitation charges and increases

CATEGORY	Current Tariff 1 July 2012	Proposed Tariff 1 July 2013	% increase
Domestic	92.86	100.29	8%
Business	201.21	221.33	10%
Government	800.41	880.45	10%
Buckets	61.90	66.85	8%
Vacuum Tanks	92.86	100.29	8%

1.4.5 Waste Removal and Impact of Tariff Increases

The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

An 8 per cent increase in the waste removal tariff is proposed from 1 July 2013. Higher increases will not be viable in 2013/14 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 8 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2013:

Table 10 Comparison between current waste removal fees and increases

CATEGORY	Current Tariff 1 July 2012	Proposed Tariff 1 July 2013	% increase
Domestic	73.95	79.86	8%
Business	156.58	172.24	10%
Municipal	156.58	169.11	8%

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at 8 cent, with the same increase for indigent households as all services are subsidized. Indigent users are sometimes responsible for overuse of electricity and water.

Table 11 MBRR Table SA14 – Household bills

NC078 Siyancuma - Supporting Table SA14 Household bills

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates			776,82	808,00	872,64	872,64	872,64	10,0%	959,90	1 065,49	1 150,73
Electricity: Basic levy			86,57	104,21	115,70	115,70	115,70	7,0%	123,80	137,17	150,89
Electricity: Consumption			728,57	851,21	978,89	978,89	978,89	7,0%	1 047,41	1 131,20	1 244,32
Water: Basic levy			35,92	39,51	42,67	42,67	42,67	10,0%	46,94	51,63	56,79
Water: Consumption			284,60	313,03	344,33	344,33	344,33	10,0%	378,76	416,64	462,47
Sanitation			68,50	75,43	81,46	81,46	81,46	10,0%	87,98	96,78	107,43
Refuse removal			55,61	60,06	64,85	64,85	64,85	10,0%	70,05	77,05	84,75
Other											
sub-total		-	2 036,59	2 251,45	2 500,54	2 500,54	2 500,54	8,6%	2 714,84	2 975,96	3 257,38
VAT on Services			159,23	181,96	350,08	350,08	350,08		380,08	416,63	456,03
Total large household bill:		-	2 195,82	2 433,41	2 850,62	2 850,62	2 850,62	8,6%	3 094,92	3 392,59	3 713,41
% increase/-decrease			-	10,8%	17,1%	-	-		8,6%	9,6%	9,5%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates			305,00	398,00	433,82	433,82	433,82	10,0%	477,20	528,74	571,04
Electricity: Basic levy			86,57	104,21	115,70	115,70	115,70	7,0%	123,80	137,17	150,89
Electricity: Consumption			314,00	351,00	389,61	389,61	389,61	7,0%	416,88	450,23	495,25
Water: Basic levy			35,92	39,51	42,67	42,67	42,67	10,0%	46,94	51,63	56,79
Water: Consumption			206,28	226,92	245,07	245,07	245,07	10,0%	269,58	296,54	326,19
Sanitation			68,50	75,43	81,45	81,45	81,45	10,0%	87,98	96,78	107,43
Refuse removal			55,61	60,06	64,85	64,85	64,85	10,0%	70,05	77,05	84,75
Other											
sub-total		-	1 071,88	1 255,13	1 373,17	1 373,17	1 373,17	8,7%	1 492,43	1 638,14	1 792,34
VAT on Services			107,36	120,00	192,24	192,24	192,24		208,94	229,34	250,93
Total small household bill:		-	1 179,24	1 375,13	1 565,41	1 565,41	1 565,41	8,7%	1 701,37	1 867,48	2 043,27
% increase/-decrease			-	16,6%	13,8%	-	-		8,7%	9,8%	9,4%
Monthly Account for Household - 'Indigent Household receiving free basic services'	3										
Rates and services charges:											
Property rates			158,00	142,00	154,78	154,78	154,78	10,0%	170,26	187,29	206,02
Electricity: Basic levy			86,57	104,21	115,70	115,70	115,70	7,0%	123,80	137,17	150,89
Electricity: Consumption			276,50	311,50	336,42	336,42	336,42	7,0%	359,97	388,77	431,53
Water: Basic levy			35,92	39,51	42,67	42,67	42,67	10,0%	46,94	51,63	56,79
Water: Consumption			58,80	64,68	69,87	69,87	69,87	10,0%	76,86	84,55	93,01
Sanitation			68,50	50,28	54,30	54,30	54,30	10,0%	59,73	65,70	72,27
Refuse removal			55,61	60,06	64,85	64,85	64,85	10,0%	70,05	77,05	84,75
Other											
sub-total		-	739,90	772,24	838,59	838,59	838,59	8,2%	907,61	992,16	1 095,26
VAT on Services			64,10	72,66	117,40	117,40	117,40	#NAME?	127,07	138,90	153,34
Total small household bill:		-	804,00	844,90	955,99	955,99	955,99	8,2%	1 034,68	1 131,06	1 248,60
% increase/-decrease			-	5,1%	13,1%	-	-		8,2%	9,3%	10,4%

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

NC078 Siyancuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Revenue By Source											
Property rates	2	4 832	5 734	5 768	7 556	8 018	8 018	8 018	9 326	10 143	10 853
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	18 010	19 813	16 801	23 354	25 693	25 693	25 693	32 262	34 521	36 937
Service charges - water revenue	2	6 388	8 021	9 548	10 310	10 310	10 310	10 310	12 826	13 723	14 684
Service charges - sanitation revenue	2	3 832	4 465	5 169	4 716	5 950	5 950	5 950	5 606	5 999	6 418
Service charges - refuse revenue	2	3 197	3 825	4 287	4 602	4 914	4 914	4 914	5 349	5 724	6 124
Service charges - other		-			206	230	230	230	161	172	184
Rental of facilities and equipment		309	341	216	339	375	375	375	1 005	1 076	1 151
Interest earned - external investments		355	680	970	260	260	260	260	260	260	260
Interest earned - outstanding debtors		301	390	473	370	530	530	530	530	400	430
Dividends received					-	-	-	-			
Fines		109	61	51	4 600	748	748	748	7 324	7 837	8 385
Licences and permits	4	5	5	7	241	-	-	-			
Agency services		552	616	533	-	-	-	-	711	761	814
Transfers recognised - operational		23 003	27 307	34 004	37 981	37 981	37 981	37 981	40 276	43 839	47 319
Other revenue	2	937	1 846	1 271	438	599	599	599	419	441	471
Gains on disposal of PPE				25							
Total Revenue (excluding capital transfers and contributions)		61 830	73 105	79 123	94 973	95 607	95 607	95 607	116 054	124 894	134 031
Expenditure By Type											
Employee related costs	2	20 163	20 813	28 349	35 056	38 988	38 988	38 988	43 049	45 201	48 366
Remuneration of councillors		1 866	1 933	2 322	2 615	2 907	2 907	2 907	3 187	3 242	3 469
Debt impairment	3	1 572	6 650	8 124	8 000	8 000	8 000	8 000	8 000	8 400	8 820
Depreciation & asset impairment	2	9 777	9 961	11 034	9 180	9 296	9 296	9 296	9 373	10 029	10 731
Finance charges		1 319	1 930	1 526	450	450	450	450	450	473	563
Bulk purchases	2	11 922	14 652	20 925	24 875	27 850	27 850	27 850	30 350	31 868	38 153
Other materials	8					-	-	-			
Contracted services		739	-	-	3 107	3 223	3 223	3 223	3 457	3 630	3 884
Transfers and grants		4 758	4 479	4 751	7 297	7 237	7 237	7 237	7 672	8 055	8 619
Other expenditure	4, 5	7 634	15 229	11 230	20 099	21 645	21 645	21 645	23 789	24 997	26 552
Loss on disposal of PPE			-	62							
Total Expenditure		59 749	75 647	88 323	110 679	119 597	119 597	119 597	129 328	135 895	149 156
Surplus/(Deficit)		2 081	(2 541)	(9 200)	(15 706)	(23 990)	(23 990)	(23 990)	(13 273)	(11 001)	(15 125)
Transfers recognised - capital		16 790	17 029	7 122	26 737	34 137	34 137	34 137	25 905	26 223	18 588
Contributions recognised - capital	6	-	-	1 671	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Taxation											
Surplus/(Deficit) after taxation		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463

The budgeted allocation for employee related costs for the 2013/14 financial year totals R43 049 million, which equals 36 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 10 per cent for the 2013/14 financial year. An annual increase of 5 and 8 per cent has been included in the two outer years of the MTREF respectively. Critical posts are prioritized to be filled in 2013/14 and included in the budget.

It should be noted that the total financial implication could not be determined as the applicable municipal wage curve (representing equal pay for equal work at all municipalities in South Africa) has not been finalised.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation, Government Gazette in this regard has been taken into account in compiling the municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 75 per cent and the subsidy of the Indigents. For the 2013/14 financial year this amount equates to R8 million and escalates to R8,820 million by 2015/16. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R9 373 million for the 2013/14 financial year. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.3 per cent (R450 thousand) of operating expenditure for 2013/14 and increases to R563 thousand by 2015/16.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Vaal Oranje Water Board. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

After evaluation, several operational inefficiencies were discovered with the existing equipment. In the 2013/14 financial year Contracted Services totals R3 457 million and has escalated by 7 per cent from the adjustment budget 2012/13. For the two outer years growth has been limited to just 5 and 7 per cent.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2013/14 budget and MTREF provide for growth in the area of asset maintenance of 23 per cent. Repairs and Maintenance expenditure is based on historical information. The reason being that the Technical Department provide no inputs and no asset renewal strategy or repairs and maintenance plans exist. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 12 Operational repairs and maintenance

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repairs and Maintenance by Expenditure Item										
Employee related costs	–	–	–	1 736	1 901	1 901	1 901	3 144	3 301	3 533
Other materials	–	–	–	3 747	3 682	3 682	3 682	4 188	4 398	4 705
Contracted Services	–	–	–	1 106	1 561	1 561	1 561	927	973	1 041
Other Expenditure	3 364	2 083	3 070	786	1 432	1 432	1 432	2 320	2 437	2 608
TOTAL	3 364	2 83	3 070	7 374	8 576	8 576	8 576	10 579	11 109	11 887

The total allocation for 2013/14 equates to R10 579 million an increase of 23 per cent in relation to the Adjustment Budget of 2012/13 and grow at 5 and 7 per cent over the MTREF. These increases are towards maintaining roads, water and electricity as prioritised in the IDP.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

NC078 Siyancuma - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand	1										
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure	2	3 364	2 083	3 070	5 265	6 936	6 936	8 306	8 723	9 333	
Infrastructure - Road transport		3 364	2 083	3 070	1 910	3 166	3 166	4 013	4 213	4 508	
Roads, Pavements & Bridges		3 364	2 083	3 070	1 910	3 166	3 166	4 013	4 213	4 508	
Storm water											
Infrastructure - Electricity		-	-	-	1 188	1 188	1 188	1 307	1 372	1 468	
Generation											
Transmission & Reticulation					1 188	1 188	1 188	1 307	1 372	1 468	
Street Lighting											
Infrastructure - Water		-	-	-	1 276	1 276	1 276	1 376	1 444	1 545	
Dams & Reservoirs											
Water purification					1 276	1 276	1 276	1 376	1 444	1 545	
Reticulation											
Infrastructure - Sanitation		-	-	-	650	825	825	973	1 023	1 095	
Reticulation											
Sewerage purification					650	825	825	973	1 023	1 095	
Infrastructure - Other		-	-	-	241	482	482	638	670	717	
Waste Management					241	482	482	638	670	717	
Transportation											
Gas											
Other											
Community		3	-	-	-	1 041	846	846	1 283	1 347	1 441
Parks & gardens		7				235	125	125	340	357	382
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries					96	96	96	96	100	107	
Recreational facilities					210	210	210	210	221	236	
Fire, safety & emergency					340	255	255	467	490	525	
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries					100	100	100	110	116	124	
Social rental housing											
Other					60	60	60	60	63	67	
Heritage assets	9		-	-	-	-	-	-	-	-	-
Buildings											
Other											
Investment properties	10	-	-	-	-	-	-	-	-	-	
Housing development											
Other											
Other assets	10	-	-	-	1 069	794	794	991	1 040	1 113	
General vehicles											
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment											
Computers - hardware/equipment											
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings					221	264	264	291	305	326	
Other Buildings					848	530	530	700	735	786	
Other Land											
Surplus Assets - (Investment or Inventory)											
Other											
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure	1	3 364	2 083	3 070	7 374	8 576	8 576	10 579	11 109	11 887	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Refuse											
Fire											
Conservancy											
Ambulances											
R&M as a % of PPE		1.2%	0.7%	1.1%	2.5%	2.9%	2.9%	3.4%	3.4%	3.5%	
R&M as % Operating Expenditure		5.6%	2.8%	3.5%	6.7%	7.2%	7.2%	8.2%	8.2%	8.0%	

For the 2014 financial year, 79 per cent or R8 306 million of total repairs and maintenance will be spent on infrastructure assets.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. The target is to register 4000 more indigent households during the 2013/14 financial year, a process reviewed annually. The increase in Indigents will be Smitsdrift and farmers area in Niekerkshoop up to Grobblershoop. A sensible total for Indigents are budgeted over the MTREF until the Indigent Register is updated at mid-year. The revenue will be adjusted if necessary in January 2014. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 13 2013/14 Medium-term capital budget per vote

Capital Expenditure by Standard Classification	09/10 AUD	10/11 AUD	11/12 AUD	CY 12/13 BUD	CY 12/13 ADJ	CY 12/13 FCST	CY 12/13 ACT	Budget Year 13/14	Budget Year +1 14/15	Budget Year +2 15/16
Executive and council										
Budget and treasury office										
Corporate services										
Community and social services	4	0	0	874	1 424	1 424	1 424	880	100	100
Sport and recreation										
Public safety										
Road transport	4 905	5 355	4 410	0	0	0	0	0	0	0
Electricity	1 244	555	2 658	600	600	600	600	2 600	200	2 000
Water	742	7 461	1 909	25 513	32 913	32 913	32 913	32 913	19 475	16 588
Waste water management	7 730	1 507	2 63	0	0	0		3 200	0	0
Waste management										
Other	11	3 858	424	342	1 010	1 010	1 010	360	273	260
TOTAL	14 636	18 737	11 464	27 329	35 947	35 947	35 947	26 515	16 596	18 948

For 2013/14 an amount of R25 275 million has been appropriated for the development of infrastructure which represents 95 per cent of the total capital budget. In the outer years this amount totals to R16 596 million and R18 948 million respectively.

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have NOT been included in Table 61 MBRR SA35. The Technical Manager's contract was not renewed who would have been able to assist with this section.

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 14 MBRR Table A1 - Budget Summary**Explanatory notes to MBRR Table A1 - Budget Summary**

NC078 Siyancuma - Table A1 Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	4 832	5 734	5 768	7 556	8 018	8 018	8 018	9 326	10 143	10 853
Service charges	31 427	36 125	35 805	43 188	47 097	47 097	47 097	56 204	60 138	64 348
Investment revenue	355	680	970	260	260	260	260	260	260	260
Transfers recognised - operational	23 003	27 307	34 004	37 981	37 981	37 981	37 981	40 276	43 839	47 319
Other own revenue	2 212	3 259	2 576	5 988	2 251	2 251	2 251	9 989	10 514	11 251
Total Revenue (excluding capital transfers and contributions)	61 830	73 105	79 123	94 973	95 607	95 607	95 607	116 054	124 894	134 031
Employee costs	20 163	20 813	28 349	35 056	38 988	38 988	38 988	43 049	45 201	48 366
Remuneration of councillors	1 866	1 933	2 322	2 615	2 907	2 907	2 907	3 187	3 242	3 469
Depreciation & asset impairment	9 777	9 961	11 034	9 180	9 296	9 296	9 296	9 373	10 029	10 731
Finance charges	1 319	1 930	1 526	450	450	450	450	450	473	563
Materials and bulk purchases	11 922	14 652	20 925	24 875	27 850	27 850	27 850	30 350	31 868	38 153
Transfers and grants	4 758	4 479	4 751	7 297	7 237	7 237	7 237	7 672	8 055	8 619
Other expenditure	9 945	21 879	19 416	31 205	32 868	32 868	32 868	35 246	37 027	39 256
Total Expenditure	59 749	75 647	88 323	110 679	119 597	119 597	119 597	129 328	135 895	149 156
Surplus/(Deficit)	2 081	(2 541)	(9 200)	(15 706)	(23 990)	(23 990)	(23 990)	(13 273)	(11 001)	(15 125)
Transfers recognised - capital	16 790	17 029	7 122	26 737	34 137	34 137	34 137	25 905	26 223	18 588
Contributions recognised - capital & contributed a	-	-	1 671	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Capital expenditure & funds sources										
Capital expenditure	14 636	18 737	11 464	27 329	35 617	35 367	35 367	26 515	16 596	18 948
Transfers recognised - capital	14 621	14 879	6 630	26 737	34 137	34 137	34 137	25 905	16 223	18 588
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	15	3 858	4 834	592	1 810	1 810	1 810	610	373	360
Total sources of capital funds	14 636	18 737	11 464	27 329	35 947	35 947	35 947	26 515	16 596	18 948
Financial position										
Total current assets	18 168	28 009	40 308	29 806	29 806	29 806	29 806	24 510	24 510	24 510
Total non current assets	281 299	290 338	291 246	308 238	308 238	308 238	308 238	312 611	325 440	339 312
Total current liabilities	18 737	16 253	30 982	30 112	30 112	30 112	30 112	30 050	30 079	29 933
Total non current liabilities	8 356	17 001	18 956	20 082	20 082	20 082	20 332	19 768	19 175	18 728
Community wealth/Equity	15 506	12 404	(3 476)	10 466	10 466	10 466	10 466	10 466	10 466	10 466
Cash flows										
Net cash from (used) operating	24 571	24 369	18 263	28 003	25 393	25 393	25 393	27 056	8 892	5 108
Net cash from (used) investing	(14 652)	(18 904)	(11 978)	(27 329)	(35 947)	(35 947)	(35 947)	(26 515)	(16 596)	(18 948)
Net cash from (used) financing	(804)	1 086	1 921	(640)	(640)	(640)	(640)	(565)	(593)	(447)
Cash/cash equivalents at the year end	6 613	13 164	21 370	21 404	10 176	(1 018)	10 176	10 152	1 856	(12 432)
Cash backing/surplus reconciliation										
Cash and investments available	6 613	13 164	24 012	21 509	21 509	21 509	21 509	21 509	21 509	21 509
Application of cash and investments	5 112	4 577	13 995	21 449	20 372	20 372	20 372	26 180	26 676	26 677
Balance - surplus (shortfall)	1 501	8 587	10 017	61	1 138	1 138	1 138	(4 670)	(5 166)	(5 167)
Asset management										
Asset register summary (WDV)	10 842	10 973	339 159	339 159	339 159	339 159	327 637	327 637	327 637	327 637
Depreciation & asset impairment	9 777	9 961	11 034	9 180	9 296	9 296	9 373	9 373	10 029	10 731
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	3 364	2 083	3 070	7 374	8 576	8 576	10 579	10 579	11 109	11 887
Free services										
Cost of Free Basic Services provided	-	-	910	1 053	1 053	1 053	1 275	1 275	1 733	2 252
Revenue cost of free services provided	-	-	-	11 773	11 773	11 773	11 773	11 773	11 773	11 773
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	3	3	3	3	3	3	3	3	3	3
Energy:	4	4	4	4	4	4	4	4	4	4
Refuse:	-	-	-	-	-	-	-	-	-	-

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
 - b. Capital expenditure is funded by conditional grants , of which
 - Transfers recognised is reflected on the Financial Performance Budget;
 - Internally generated funds are financed from the current operating revenue. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. The municipality has not yet compiled a Funding and Reserves Policy. The National Treasury MFIP Advisor is currently in the process of drafting the Policy at no expense and will be finalised in the new financial year.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NC078 Siyancuma - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		41 392	46 160	51 905	39 489	39 896	47 693	42 099	46 839	50 514
Executive and council		40 998	43 906	11 778	1 400	1 400	1 400	1 756	2 080	2 080
Budget and treasury office		318	2 180	40 084	37 786	38 192	45 989	40 008	44 401	48 050
Corporate services		76	74	43	303	305	305	335	359	384
<i>Community and public safety</i>		300	336	215	283	629	951	954	1 019	1 090
Community and social services		101	224	127	162	104	726	114	120	129
Sport and recreation		199	112	89	120	225	225	840	899	962
Public safety		-	-	-	-	300	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	1	-	-	-	-	-
<i>Economic and environmental services</i>		661	678	0	4 600	747	747	9 035	8 598	9 200
Planning and development		1	-	-	-	-	-	-	-	-
Road transport		660	678	0	4 600	747	747	9 035	8 598	9 200
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		31 509	36 103	31 046	50 601	54 333	48 779	63 966	68 439	73 228
Electricity		18 092	19 858	16 052	24 804	27 133	25 711	33 596	35 947	38 464
Water		6 388	7 954	5 539	11 360	11 391	10 010	14 074	15 054	16 106
Waste water management		3 832	4 465	5 168	7 645	8 705	5 953	8 581	9 182	9 824
Waste management		3 197	3 825	4 287	6 793	7 105	7 105	7 716	8 256	8 833
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	73 862	83 277	83 166	94 973	95 607	98 171	116 054	124 894	134 031
Expenditure - Standard										
<i>Governance and administration</i>		22 401	41 717	38 080	41 884	44 227	53 504	48 904	51 259	54 626
Executive and council		13 204	22 664	23 494	6 049	7 223	7 392	6 821	7 045	7 537
Budget and treasury office		5 845	7 871	8 981	22 434	24 100	32 630	26 968	28 339	30 150
Corporate services		3 351	11 183	5 605	13 400	12 903	13 481	15 114	15 875	16 939
<i>Community and public safety</i>		3 747	3 116	3 862	4 444	5 665	6 798	6 028	6 400	6 825
Community and social services		1 151	877	1 369	1 664	2 132	3 038	2 873	3 080	3 324
Sport and recreation		2 413	2 067	2 281	2 083	2 412	2 746	2 251	2 367	2 479
Public safety		4	31	31	372	777	673	518	544	582
Housing		-	-	-	-	-	-	-	-	-
Health		179	140	181	326	344	341	385	409	440
<i>Economic and environmental services</i>		9 305	3 788	6 919	10 079	10 187	12 451	12 445	13 067	13 841
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		9 305	3 788	6 919	10 079	10 187	12 451	12 445	13 067	13 841
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		24 208	25 757	39 393	54 837	59 523	64 201	61 952	65 050	73 738
Electricity		14 568	16 547	25 093	29 858	33 500	35 592	36 148	37 955	44 657
Water		2 201	2 728	6 636	4 852	4 520	5 791	5 197	5 457	5 905
Waste water management		4 658	3 293	5 098	7 981	8 934	9 804	9 365	9 833	10 545
Waste management		2 781	3 189	2 566	12 147	12 568	13 014	11 242	11 804	12 631
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	59 660	74 378	88 254	111 243	119 601	136 955	129 328	135 776	149 029
Surplus/(Deficit) for the year		14 201	8 898	(5 089)	(16 271)	(23 995)	(38 784)	(13 273)	(10 882)	(14 998)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government'

Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC078 Siyancuma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote		1									
Vote 1 - MUNICIPAL MANAGER			-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL			40 998	43 906	11 778	1 400	1 400	1 400	1 756	2 080	2 080
Vote 3 - CORPORATE SERVICES			-	-	-	213	225	225	247	265	283
Vote 4 - BUDGET OFFICE (FINANCE)			318	2 180	40 084	37 786	38 192	45 989	40 008	44 401	48 050
Vote 5 - PROPERTIES			76	74	43	90	80	80	88	94	100
Vote 6 - COMMUNITY SERVICES			300	224	127	163	104	726	114	120	129
Vote 7 - TRAFFIC			661	678	0	4 600	747	747	8 035	8 598	9 200
Vote 8 - HOLIDAY RESORT			-	112	89	120	225	225	840	899	962
Vote 9 - WASTE WATER MANAGEMENT			3 832	4 465	5 168	7 645	8 705	8 705	8 581	9 182	9 824
Vote 10 - DISASTER MANAGEMENT			-	-	-	-	300	-	-	-	-
Vote 11 - WASTE MANAGEMENT			3 197	3 825	4 287	6 793	7 105	7 105	7 716	8 256	8 833
Vote 12 - PUBLIC WORKS			-	-	-	-	-	-	1 000	-	-
Vote 13 - ELECTRICITY			18 092	19 858	16 052	24 804	27 133	25 711	33 596	35 947	38 464
Vote 14 - WATER			6 388	7 954	5 539	11 360	11 391	10 010	14 074	15 054	16 106
0			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	73 862	83 277	83 166	94 973	95 607	100 923	116 054	124 894	134 031
Expenditure by Vote to be appropriated		1									
Vote 1 - MUNICIPAL MANAGER			1 682	1 862	2 605	2 627	3 222	3 180	2 304	2 419	2 589
Vote 2 - COUNCIL			11 522	20 801	20 889	3 421	4 001	4 212	4 517	4 626	4 949
Vote 3 - CORPORATE SERVICES			68	185	4 356	11 956	11 117	11 743	13 570	14 248	15 211
Vote 4 - BUDGET OFFICE (FINANCE)			5 845	7 871	8 981	22 434	24 100	32 630	26 968	28 339	30 150
Vote 5 - PROPERTIES			3 283	10 998	1 249	1 444	1 787	1 738	1 544	1 626	1 728
Vote 6 - COMMUNITY SERVICES			2 328	2 018	2 764	3 467	4 133	3 379	4 754	5 061	5 445
Vote 7 - TRAFFIC			257	276	77	1 662	1 445	1 359	2 451	2 573	2 740
Vote 8 - HOLIDAY RESORT			1 415	1 067	1 067	605	755	2 746	755	795	797
Vote 9 - WASTE WATER MANAGEMENT			4 545	3 133	5 098	7 981	8 934	9 804	9 365	9 833	10 545
Vote 10 - DISASTER MANAGEMENT			4	31	31	372	777	673	518	544	582
Vote 11 - WASTE MANAGEMENT			2 781	3 189	2 566	12 147	12 568	13 014	11 242	11 804	12 631
Vote 12 - PUBLIC WORKS			9 161	3 672	6 842	8 417	8 742	11 092	9 994	10 493	11 101
Vote 13 - ELECTRICITY			14 568	16 547	25 093	29 858	33 500	35 592	36 148	37 955	44 657
Vote 14 - WATER			2 201	2 728	6 636	4 852	4 520	5 791	5 197	5 457	5 905
0			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	59 660	74 378	88 254	111 243	119 601	136 955	129 328	135 776	149 030
Surplus/(Deficit) for the year		2	14 201	8 898	(5 089)	(16 271)	(23 995)	(36 032)	(13 273)	(10 882)	(14 998)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality.

The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 17 Surplus/(Deficit) calculations for the trading services

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Electricity										
Revenue	18 010	19 813	16 801	23 354	25 693	25 693	25 693	32 262	34 521	36 937
Electricity Bulk Purchases	11 717	14 652	20 611	24 225	27 500	27 500	27 500	29 700	31 185	37 422
Surplus/(Deficit)	6 293	5 161	-3 798	-871	-1 807	-1 807	-1 807	2 562	3 336	-485
Percentage Surplus/(Deficit)	54%	35%	-18%	-4%	-7%	7%	7%	9%	11%	-1%
Water										
Revenue	6,388	8 021	9 548	10 310	10 310	10 310	10 310	12 826	13 723	14 684
Water Bulk Purchases	205	205	315	650	350	350	350	650	683	731
Surplus/(Deficit)	6 183	7 816	9 233	9 660	9 660	9 660	9 660	12 176	13 040	13 953
Percentage Surplus	3 016%	3 813%	2 931%	1 486%	1 486%	1 486%	1 486%	1 486%	1 909%	1 908%

- The electricity trading deficit is improving from the 2013/14 budget from 7 per cent in 2012/13 to 9 per cent by 2013/14, but deteriorate again to -1% in 2015/16. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases to consumers.
- The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 1 486 per cent, 1 909 per cent and 1 908 per cent for each of the respective financial years.

Table 18 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NC078 Siyancuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	4 832	5 734	5 768	7 556	8 018	8 018	8 018	9 326	10 143	10 853
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	18 010	19 813	16 801	23 354	25 693	25 693	25 693	32 262	34 521	36 937
Service charges - water revenue	2	6 388	8 021	9 548	10 310	10 310	10 310	10 310	12 826	13 723	14 684
Service charges - sanitation revenue	2	3 832	4 465	5 169	4 716	5 950	5 950	5 950	5 606	5 999	6 418
Service charges - refuse revenue	2	3 197	3 825	4 287	4 602	4 914	4 914	4 914	5 349	5 724	6 124
Service charges - other		-			206	230	230	230	161	172	184
Rental of facilities and equipment		309	341	216	339	375	375	375	1 005	1 076	1 151
Interest earned - external investments		355	680	970	260	260	260	260	260	260	260
Interest earned - outstanding debtors		301	390	473	370	530	530	530	530	400	430
Dividends received					-	-	-	-			
Fines		109	61	51	4 600	748	748	748	7 324	7 837	8 385
Licences and permits		4	5	7	241	-	-	-			
Agency services		552	616	533	-	-	-	-	711	761	814
Transfers recognised - operational		23 003	27 307	34 004	37 981	37 981	37 981	37 981	40 276	43 839	47 319
Other revenue	2	937	1 846	1 271	438	599	599	599	419	441	471
Gains on disposal of PPE				25							
Total Revenue (excluding capital transfers and contributions)		61 830	73 105	79 123	94 973	95 607	95 607	95 607	116 054	124 894	134 031
Expenditure By Type											
Employee related costs	2	20 163	20 813	28 349	35 056	38 988	38 988	38 988	43 049	45 201	48 366
Remuneration of councillors		1 866	1 933	2 322	2 615	2 907	2 907	2 907	3 187	3 242	3 469
Debt impairment	3	1 572	6 650	8 124	8 000	8 000	8 000	8 000	8 000	8 400	8 820
Depreciation & asset impairment	2	9 777	9 961	11 034	9 180	9 296	9 296	9 296	9 373	10 029	10 731
Finance charges		1 319	1 930	1 526	450	450	450	450	450	473	563
Bulk purchases	2	11 922	14 652	20 925	24 875	27 850	27 850	27 850	30 350	31 868	38 153
Other materials	8					-	-	-			
Contracted services		739	-	-	3 107	3 223	3 223	3 223	3 457	3 630	3 884
Transfers and grants		4 758	4 479	4 751	7 297	7 237	7 237	7 237	7 672	8 055	8 619
Other expenditure	4, 5	7 634	15 229	11 230	20 099	21 645	21 645	21 645	23 789	24 997	26 552
Loss on disposal of PPE				62							
Total Expenditure		59 749	75 647	88 323	110 679	119 597	119 597	119 597	129 328	135 895	149 156
Surplus/(Deficit)		2 081	(2 541)	(9 200)	(15 706)	(23 990)	(23 990)	(23 990)	(13 273)	(11 001)	(15 125)
Transfers recognised - capital		16 790	17 029	7 122	26 737	34 137	34 137	34 137	25 905	26 223	18 588
Contributions recognised - capital	6	-	-	1 671	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Taxation											
Surplus/(Deficit) after taxation		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R116 054 million in 2013/14 and increase to R134 031 million by 2015/16.
2. Revenue to be generated from property rates is R9 326 million in the 2013/14 financial year and increases to R10 853 million by 2015/16 which represents per cent of the operating revenue base of the municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 8 per cent, 8 per cent and 8 per cent for each of the respective financial years over the MTREF.

3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R56 043 million for the 2013/14 financial year and increasing to R64 164 million by 2015/16. This growth can mainly be attributed to the increases in tariffs over the MTREF.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that the grants receipts from national government are growing steadily over the MTREF.
5. Bulk purchases have significantly increased over the 2009/10 to 2015/16 period escalating from R11 922 million to R38 153 million. These increases can be attributed to the substantial increase in the cost of bulk Electricity from Eskom .
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 19 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

NC078 Siyancuma - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET OFFICE (FINANCE)		-	-	-	-	-	-	-	-	-	-
Vote 5 - PROPERTIES		-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - TRAFFIC		-	-	-	-	-	-	-	-	-	-
Vote 8 - HOLIDAY RESORT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 10 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 12 - PUBLIC WORKS		-	-	-	-	-	-	-	-	-	-
Vote 13 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 14 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	82	100	100	100	100	-	-
Vote 3 - CORPORATE SERVICES	11	399	424	130	130	130	130	130	130	137	130
Vote 4 - BUDGET OFFICE (FINANCE)	-	3 459	-	130	450	450	450	130	137	130	130
Vote 5 - PROPERTIES	-	-	-	-	250	250	250	250	-	-	-
Vote 6 - COMMUNITY SERVICES	4	-	-	624	624	624	624	630	-	-	-
Vote 7 - TRAFFIC	-	-	-	250	250	250	250	250	100	100	-
Vote 8 - HOLIDAY RESORT	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE WATER MANAGEMENT	7 730	1 507	2 063	-	-	-	-	3 200	-	-	-
Vote 10 - DISASTER MANAGEMENT	-	-	-	-	300	300	300	-	-	-	-
Vote 11 - WASTE MANAGEMENT	-	-	-	-	330	330	330	-	-	-	-
Vote 12 - PUBLIC WORKS	4 905	5 355	4 410	-	-	-	-	-	-	-	-
Vote 13 - ELECTRICITY	1 244	555	2 658	600	600	600	600	2 600	200	2 000	-
Vote 14 - WATER	742	7 461	1 909	25 513	32 913	32 913	32 913	19 475	16 023	16 588	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		14 636	18 737	11 464	27 329	35 947	35 947	35 947	26 515	16 596	18 948
Total Capital Expenditure - Vote		14 636	18 737	11 464	27 329	35 947	35 947	35 947	26 515	16 596	18 948
Capital Expenditure - Standard											
Governance and administration		11	3 858	424	342	930	680	680	360	273	260
Executive and council		-	-	-	82	100	100	100	100	-	-
Budget and treasury office	-	3 459	-	130	450	450	450	450	130	137	130
Corporate services	11	399	424	130	380	130	130	130	130	137	130
Community and public safety	4	-	-	874	1 174	1 174	1 174	880	100	100	100
Community and social services	4	-	-	624	624	624	624	630	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	250	550	550	550	250	100	100	-
Housing	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	4 905	5 355	4 410	-	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-	-	-	-	-
Road transport	4 905	5 355	4 410	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
Trading services	9 716	9 524	6 630	26 113	33 513	33 513	33 513	25 275	16 223	18 588	18 588
Electricity	1 244	555	2 658	600	600	600	600	2 600	200	2 000	-
Water	742	7 461	1 909	25 513	32 913	32 913	32 913	19 475	16 023	16 588	-
Waste water management	7 730	1 507	2 063	-	-	-	-	3 200	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-
Other											
Total Capital Expenditure - Standard	3	14 636	18 737	11 464	27 329	35 617	35 367	35 367	26 515	16 596	18 948
Funded by:											
National Government		14 621	14 879	6 630	26 113	33 513	33 513	33 513	25 275	16 223	18 588
Provincial Government		-	-	-	624	624	624	624	630	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	14 621	14 879	6 630	26 737	34 137	34 137	34 137	25 905	16 223	18 588
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		15	3 858	4 834	592	1 810	1 810	1 810	610	373	360
Total Capital Funding	7	14 636	18 737	11 464	27 329	35 947	35 947	35 947	26 515	16 596	18 948

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The capital programme is funded from capital and provincial grants and transfers, and internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 20 MBRR Table A6 - Budgeted Financial Position

NC078 Siyancuma - Table A6 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		6 613	13 164	24 012	21 509	21 509	21 509	21 509	21 509	21 509	21 509
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	7 829	9 722	11 001	3 001	3 001	3 001	3 001	3 001	3 001	3 001
Other debtors		3 727	5 023	5 089	5 089	5 089	5 089	5 089			
Current portion of long-term receivables											
Inventory	2	–	100	207	207	207	207	207			
Total current assets		18 168	28 009	40 308	29 806	29 806	29 806	29 806	24 510	24 510	24 510
Non current assets											
Long-term receivables											
Investments											
Investment property		9 982	9 982	9 982	9 982	9 982	9 982	9 982			
Investment in Associate											
Property, plant and equipment	3	270 441	278 641	279 048	296 040	296 040	296 040	296 040	312 611	325 440	339 312
Agricultural											
Biological		468	468	1 059	1 059	1 059	1 059	1 059			
Intangible		392	523	480	480	480	480	480			
Other non-current assets		16	724	677	677	677	677	677			
Total non current assets		281 299	290 338	291 246	308 238	308 238	308 238	308 238	312 611	325 440	339 312
TOTAL ASSETS		299 468	318 348	331 555	338 044	338 044	338 044	338 044	337 121	349 950	363 822
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	2 010	637	1 321	450	450	450	450	565	593	447
Consumer deposits		173	184	176	176	176	176	176			
Trade and other payables	4	16 554	15 432	29 486	29 486	29 486	29 486	29 486	29 486	29 486	29 486
Provisions											
Total current liabilities		18 737	16 253	30 982	30 112	30 112	30 112	30 112	30 050	30 079	29 933
Non current liabilities											
Borrowing		522	3 067	4 078	3 627	3 627	3 627	3 877	3 312	2 719	2 272
Provisions		7 834	13 934	14 878	16 455	16 455	16 455	16 455	16 455	16 455	16 455
Total non current liabilities		8 356	17 001	18 956	20 082	20 082	20 082	20 332	19 768	19 175	18 728
TOTAL LIABILITIES		27 092	33 254	49 937	50 194	50 194	50 194	50 444	49 818	49 253	48 660

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 21 MBRR Table A7 - Budgeted Cash Flow Statement

NC078 Siyancuma - Table A7 Budgeted Cash Flows

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other			28 947	33 216	42 483	56 362	64 633	64 633	64 633	83 202	75 644	80 938
Government - operating		1	23 003	27 307	34 004	37 981	37 981	37 981	37 981	40 276	43 953	47 441
Government - capital		1	16 790	17 029	7 122	26 737	34 137	34 137	34 137	25 905	18 023	18 588
Interest			657	1 070	1 443	630	790	790	790	790	660	690
Dividends						-				-	-	-
Payments												
Suppliers and employees			(43 507)	(52 157)	(65 248)	(85 960)	(104 460)	(104 460)	(104 460)	(114 971)	(120 846)	(133 353)
Finance charges			(1 319)	(1 930)	(1 526)	(450)	(450)	(450)	(450)	(450)	(473)	(563)
Transfers and Grants		1	-	(165)	(14)	(7 297)	(7 237)	(7 237)	(7 237)	(7 672)	(8 068)	(8 633)
NET CASH FROM/(USED) OPERATING ACTIVITIES			24 571	24 369	18 263	28 003	25 393	25 393	25 393	27 079	8 892	5 108
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE				-	104							
Decrease (Increase) in non-current debtors				16								
Decrease (increase) other non-current receivables			(16)									
Decrease (increase) in non-current investments												
Payments												
Capital assets			(14 636)	(18 920)	(12 081)	(27 329)	(35 947)	(35 947)	(35 947)	(26 515)	(16 596)	(18 948)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(14 652)	(18 904)	(11 978)	(27 329)	(35 947)	(35 947)	(35 947)	(26 515)	(16 596)	(18 948)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans												
Borrowing long term/refinancing			(679)	3 459	2 966							
Increase (decrease) in consumer deposits			7	11	(9)							
Payments												
Repayment of borrowing			(132)	(2 384)	(1 036)	(640)	(640)	(640)	(640)	(565)	(593)	(447)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(804)	1 086	1 921	(640)	(640)	(640)	(640)	(565)	(593)	(447)
NET INCREASE/ (DECREASE) IN CASH HELD			9 115	6 551	8 205	34	(11 194)	(11 194)	(11 194)	(0)	(8 297)	(14 287)
Cash/cash equivalents at the year begin:		2	(2 502)	6 613	13 164	21 370	21 370	10 176	21 370	10 176	10 175	1 879
Cash/cash equivalents at the year end:		2	6 613	13 164	21 370	21 404	10 176	(1 018)	10 176	10 175	1 879	(12 409)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The cash flow of the municipality fluctuate significantly over the 2009/10 to 2015/16 period due to a net decrease in cash since the 2012/13 financial year.
4. As part of the 2012/13 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
5. A positive cash flow of R0 was budgeted for the 2013/14 financial year but the planning for the next two financial years should be adjusted to enable a positive cash flow.

Table 22 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NC078 Siyancoma - Table A8 Cash backed reserves/accumulated surplus reconciliation

Revenue and Expenditure Statement for the Medium Term Financial Framework											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	6 613	13 164	21 370	21 404	10 176	(1 018)	10 176	10 175	1 879	(12 409)
Other current investments > 90 days		(0)	(0)	2 642	106	11 334	22 528	11 334	11 334	19 631	33 918
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		6 613	13 164	24 012	21 509	21 509	21 509	21 509	21 509	21 509	21 509
Application of cash and investments											
Unspent conditional transfers		6 880	9 950	22 543	22 543	22 543	22 543	22 543	22 543	22 543	22 543
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(1 768)	(5 373)	(8 548)	(1 094)	(2 171)	(2 171)	(2 171)	3 637	4 133	4 134
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		5 112	4 577	13 995	21 449	20 372	20 372	20 372	26 180	26 676	26 677
Surplus(shortfall)		1 501	8 587	10 017	61	1 138	1 138	1 138	(4 670)	(5 166)	(5 167)

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The municipality maintains a positive cash flow for the MTREF period.

Table 23 MBRR Table A9 - Asset Management

NC078 Siyancuma - Table A9 Asset Management

WC078 Siyanculima - Table A9 Asset Management										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	14 636	18 737	11 464	27 329	35 947	35 947	26 515	16 596	18 948
Infrastructure - Road transport		4 905	5 355	4 410	-	-	-	-	-	-
Infrastructure - Electricity		1 244	555	2 658	600	600	600	2 600	200	2 000
Infrastructure - Water		742	7 461	1 909	25 513	32 913	32 913	19 475	16 023	16 588
Infrastructure - Sanitation		7 730	1 507	2 063	-	-	-	3 200	-	-
Infrastructure - Other		-	-	-	-	330	330	-	-	-
Infrastructure		14 621	14 879	11 040	26 113	33 843	33 843	25 275	16 223	18 588
Community		4	-	-	874	1 424	1 424	880	100	100
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	11	3 858	424	342	680	680	360	273	260
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		4 905	5 355	4 410	-	-	-	-	-	-
Infrastructure - Electricity		1 244	555	2 658	600	600	600	2 600	200	2 000
Infrastructure - Water		742	7 461	1 909	25 513	32 913	32 913	19 475	16 023	16 588
Infrastructure - Sanitation		7 730	1 507	2 063	-	-	-	3 200	-	-
Infrastructure - Other		-	-	-	-	330	330	-	-	-
Infrastructure		14 621	14 879	11 040	26 113	33 843	33 843	25 275	16 223	18 588
Community		4	-	-	874	1 424	1 424	880	100	100
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	11	3 858	424	342	680	680	360	273	260
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	14 636	18 737	11 464	27 329	35 947	35 947	26 515	16 596	18 948
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5									
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other				327 637	327 637	327 637	327 637	327 637	327 637	327 637
Infrastructure		-	-	327 637	327 637	327 637	327 637	327 637	327 637	327 637
Community										
Heritage assets										
Investment properties		9 982	9 982	9 982	9 982	9 982	9 982	-	-	-
Other assets										
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		468	468	1 059	1 059	1 059	1 059	-	-	-
Intangibles		392	523	480	480	480	480	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	10 842	10 973	339 159	339 159	339 159	339 159	327 637	327 637	327 637
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		9 777	9 961	11 034	9 180	9 296	9 296	9 373	10 029	10 731
<u>Repairs and Maintenance by Asset Class</u>	3	3 364	2 083	3 070	7 374	8 576	8 576	10 579	11 109	11 887
Infrastructure - Road transport		3 364	2 083	3 070	1 910	3 166	3 166	4 013	4 213	4 508
Infrastructure - Electricity		-	-	-	1 188	1 188	1 188	1 307	1 372	1 468
Infrastructure - Water		-	-	-	1 276	1 276	1 276	1 376	1 444	1 545
Infrastructure - Sanitation		-	-	-	650	825	825	973	1 023	1 095
Infrastructure - Other		-	-	-	241	482	482	638	670	717
Infrastructure		3 364	2 083	3 070	5 265	6 936	6 936	8 306	8 723	9 333
Community		-	-	-	1 041	846	846	1 283	1 347	1 441
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	1 069	794	794	991	1 040	1 113
TOTAL EXPENDITURE OTHER ITEMS		13 141	12 044	14 104	16 554	17 872	17 872	19 952	21 139	22 618
Renewal of Existing Assets as % of total capex		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Renewal of Existing Assets as % of deprecn"		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M as a % of PPE		1,2%	0,7%	1,1%	2,5%	2,9%	2,9%	3,4%	3,4%	3,5%
Renewal and R&M as a % of PPE		31,0%	19,0%	1,0%	2,0%	3,0%	3,0%	3,0%	3,0%	4,0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. Unfortunately due to the huge backlogs the municipality cannot attend to the renewal of assets yet.

Table 24 MBRR Table A10 - Basic Service Delivery Measurement

NC078 Siyancuma - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling		11 826 000	11 826 000	11 826 000	11 826 000	11 826 000	11 826 000	11 826 000	11 826 000	11 826 000
Piped water inside yard (but not in dwelling)		14 692	14 692	14 692	14 692	14 692	14 692	14 692	14 692	14 692
Using public tap (at least min.service level)	2	7 167	7 167	7 167	7 167	7 167	7 167	7 167	7 167	7 167
Other water supply (at least min.service level)	4	2 150	2 150	2 150	2 150	2 150	2 150	2 150	2 150	2 150
<i>Minimum Service Level and Above sub-total</i>		11 850 009	11 850 009	11 850 009	11 850 009	11 850 009	11 850 009	11 850 009	11 850 009	11 850 009
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	11 850 009	11 850 009	11 850 009	11 850 009	11 850 009	11 850 009	11 850 009	11 850 009	11 850 009
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		23 722	23 722	23 722	23 722	23 722	23 722	23 722	23 722	23 722
Flush toilet (with septic tank)		788	788	788	788	788	788	788	788	788
Chemical toilet		466	466	466	466	466	466	466	466	466
Pit toilet (ventilated)		7 490	7 490	7 490	7 490	7 490	7 490	7 490	7 490	7 490
Other toilet provisions (> min.service level)		36	36	36	36	36	36	36	36	36
<i>Minimum Service Level and Above sub-total</i>		32 502	32 502	32 502	32 502	32 502	32 502	32 502	32 502	32 502
Bucket toilet		1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434
Other toilet provisions (< min.service level)		1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		3 333	3 333	3 333	3 333	3 333	3 333	3 333	3 333	3 333
Total number of households	5	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
Energy:										
Electricity (at least min.service level)		31 857	31 857	31 857	31 857	31 857	31 857	31 857	31 857	31 857
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		31 857	31 857	31 857	31 857	31 857	31 857	31 857	31 857	31 857
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources		3 978	3 978	3 978	3 978	3 978	3 978	3 978	3 978	3 978
<i>Below Minimum Service Level sub-total</i>		3 978	3 978	3 978	3 978	3 978	3 978	3 978	3 978	3 978
Total number of households	5	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
Refuse:										
Removed at least once a week		35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
<i>Minimum Service Level and Above sub-total</i>		35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)					2 277	2 277	2 277	2 500	3 000	3 500
Sanitation (free minimum level service)					2 277	2 277	2 277	2 500	3 000	3 500
Electricity/other energy (50kwh per household per month)					1 500	1 500	1 500	1 505	2 000	2 500
Refuse (removed at least once a week)					2 277	2 277	2 277	2 500	3 000	3 500
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)				189	208	208	208	281	361	451
Sanitation (free sanitation service)				137	101	101	101	136	174	218
Electricity/other energy (50kwh per household per month)				472	624	624	624	696	990	1 324
Refuse (removed once a week)				111	120	120	120	162	208	260
Total cost of FBS provided (minimum social package)		-	-	910	1 053	1 053	1 053	1 275	1 733	2 252
Highest level of free service provided										
Property rates (R value threshold)		-	-	-	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)					75	75	75	93	99	106
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		1	1	1	1	1	1	1	1	1
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebates)										
Property rates (other exemptions, reductions and rebates)					5 869	5 869	5 869	5 869	5 869	5 869
Water					807	807	807	807	807	807
Sanitation					1 704	1 704	1 704	1 704	1 704	1 704
Electricity/other energy					1 342	1 342	1 342	1 342	1 342	1 342
Refuse					2 051	2 051	2 051	2 051	2 051	2 051
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	11 773	11 773	11 773	11 773	11 773	11 773

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs although the municipality is entirely dependent on conditional grants to achieve total eradication.

Part 2 – Supporting Documentation

1.8 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor who is responsible for the finances of the municipality.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.8.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule before 31 August 2012. Key dates applicable to the process were:

- **August 2012** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2012/13 MTREF;
- **November 2012** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;

- **to 7 January 2013** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2013** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **28 January 2013** - Council considers the 2011/12 Mid-year Review and Adjustments Budget;
- **February 2013** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2012/13 MTREF is revised accordingly;
- **25 March 2013** - Tabling in Council of the draft 2012/13 IDP and 2012/13 MTREF for public consultation;
- **April 2013** – Public consultation;
- **6 May 2013** - Closing date for written comments;
- **6 to 21 May 2013** – finalisation of the 2013/14 IDP and 2013/14 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **29 May 2013** - Tabling of the 2013/14 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

1.8.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

With the compilation of the 2013/14 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2012/13 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

1.8.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/14 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2012/13 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Budget Circulars has been taken into consideration in the planning and prioritisation process.

1.8.4 Community Consultation

The draft 2013/14 MTREF as tabled before Council on 28 March 2013 for community consultation was published, and hard copies were made available at customer care offices, municipal notice boards and various offices.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make comments.

Ward Committees were utilised to facilitate the community consultation process from 20 to 28 May 2013, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance of 80 was recorded per meeting. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisation

1.9 Overview of alignment of annual budget with IDP

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2013/14 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 25 IDP Strategic Objectives

2013/14 Financial Year	2013/14 - 16 MTREF
1. Basic Service Delivery	1. Sewerage Refuse removal Electricity admin, generation and distribution Water storage and distribution Cemetery Main roads Commonage Municipal Buildings Public works Parks and gardens
2. Good Governance and Public Participation	2. Good Governance and Public Participation Executive and Council Corporate Services
3. Municipal Financial Viability	3.1 Rates 3.2 Budget and Treasury Office
4. Municipal Institutional Development and Transformation	4. Library Health Museums Clinics
5. Local Economic Development	5.1 Fire Service 5.2 Traffic and licencing 5.3 Civil Defence

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide Electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide Municipality planning services; and
 - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Extending waste removal services and ensuring effective Municipality cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Siyancuma principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Siyancuma in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure Municipality to achieve set objectives
 - Review of the organizational structure to optimize the use of personnel;

The 2013/14 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 26 MBRR revenue Table SA4 - Reconciliation between the IDP strategic objectives and budget

NC078 Siyancuma - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand													
BASIC SERVICE DELIVERY	Waste Water Management			3 832	4 465	5 168	7 645	8 705	8 705	8 581	9 182	9 824	
	Waste Management			3 197	3 825	4 287	6 793	7 105	7 105	7 716	8 256	8 833	
	Public Works									1 000	-	-	
	Water			6 388	7 954	5 539	11 360	11 391	10 010	14 074	15 054	16 106	
	Electricity			18 092	19 858	16 052	24 804	27 133	25 711	33 596	35 947	38 464	
Municipal Inst Development													
Municipal Financial Viability & Management	Budget Office												
	Properties			318	2 180	40 084	37 786	38 192	45 989	40 008	44 401	48 050	
	Holiday Resort			76	74	43	90	80	80	88	94	100	
Good Governance & Public Participation	Municipal Manager				112	89	120	225	225	840	899	962	
	Council			40 998	43 906	11 778	-	-	-	-	-	-	
	Corporate Services						213	225	225	247	265	283	
	Community Services			300	224	127	163	104	104	114	120	129	
	Traffic			661	678	0	4 600	747	747	8 035	8 598	9 200	
	Disaster Management							300		-	-	-	
	Local Economic Development												
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	73 862	83 277	83 166	94 973	95 607	100 301	116 054	124 894	134 031

Table 27 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NC078 Siyancuma - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
BASIC SERVICE DELIVERY	Waste Water Management												
	Waste Management			4 545	3 133	5 098	7 981	8 934	9 804	9 365	9 833	10 545	
	Public Works			2 781	3 189	2 566	12 147	12 568	13 014	11 242	11 804	12 631	
	Water			9 161	3 672	6 842	8 417	8 742	11 092	9 994	10 493	11 101	
	Electricity			2 201	2 728	6 636	4 852	4 520	5 791	5 197	5 457	5 905	
Municipal Inst Development				14 568	16 547	25 093	29 858	33 500	35 592	36 148	37 955	44 657	
Municipal Financial Viability & Management	Budget Office												
	Properties			5 845	7 871	8 981	22 434	24 100	32 630	26 968	28 339	30 150	
	Holiday Resort			3 283	10 998	1 249	1 444	1 787	1 738	1 544	1 626	1 728	
Good Governance & Public Participation	Municipal Manager			1 415	1 067	1 067	605	755	2 746	755	795	797	
	Council			1 682	1 862	2 605	2 627	3 222	3 180	2 304	2 419	2 589	
	Corporate Services			11 522	20 801	20 889	3 421	4 001	4 212	4 517	4 626	4 949	
	Community Services			68 2 328	185 2 018	4 356 2 764	11 956 3 467	11 117 4 133	11 743 3 379	13 570 4 754	14 248 5 061	15 211 5 445	
	Traffic												
	Disaster Management			257	276	77	1 662	1 445	1 359	2 451	2 573	2 740	
Local Economic Development				4	31	31	372	777	673	518	544	582	
Allocations to other priorities													
Total Expenditure				1	59 660	74 378	88 254	111 243	119 601	136 955	129 328	135 776	149 030

Table 28 MBRR Table SA6 - Reconciliation between the IDP strategic objectives.

NC078 Siyancuma - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand													
BASIC SERVICE DELIVERY	Waste Water Management												
	Waste Management			7 730	1 507	2 063	-			3 200	-	-	
	Public Works			-	-	-	-	330	330	-	-	-	
	Water			4 905	5 355	4 410	-			-	-	-	
	Electricity			742	7 461	1 909	25 513	32 913	32 913	19 475	16 023	16 588	
Municipal Inst Development				1 244	555	2 658	600	600	600	2 600	200	2 000	
Municipal Financial Viability & Management	Budget Office												
	Properties			-	3 459	-	130	450	450	130	137	130	
	Holiday Resort			-	-	-	-	250	250	-	-	-	
Good Governance & Public Participation	Municipal Manager												
	Council												
	Corporate Services			-	-	-	82	100	100	100	-		
	Community Services			11	399	424	130	130	130	130	137	130	
	Traffic			4	-	-	624	624	624	630	-	-	
	Disaster Management			-	-	-	250	250	250	250	100	100	
Local Economic Development				-	-	-	-	300	300	-	-	-	
Total Capital Expenditure				3 1	14 636	18 737	11 464	27 329	35 947	35 947	26 515	16 596	18 948

1.10 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

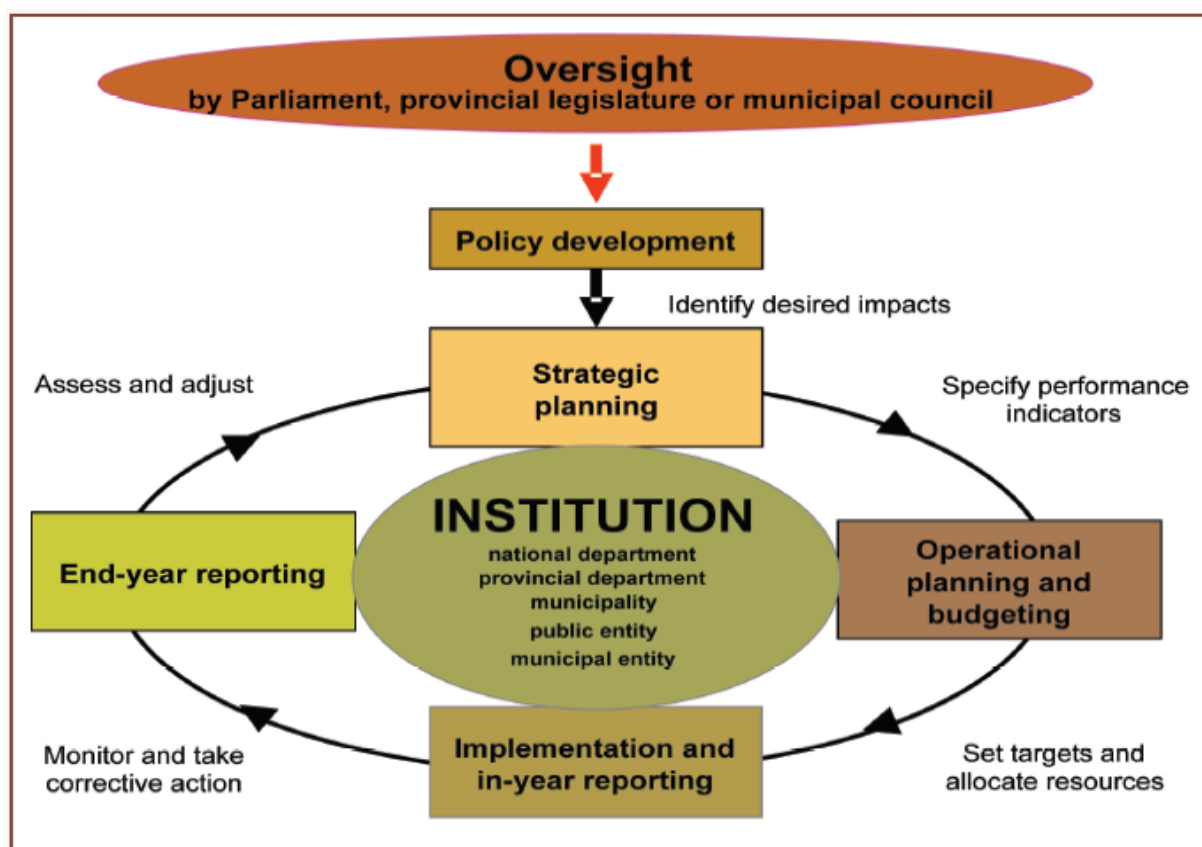


Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

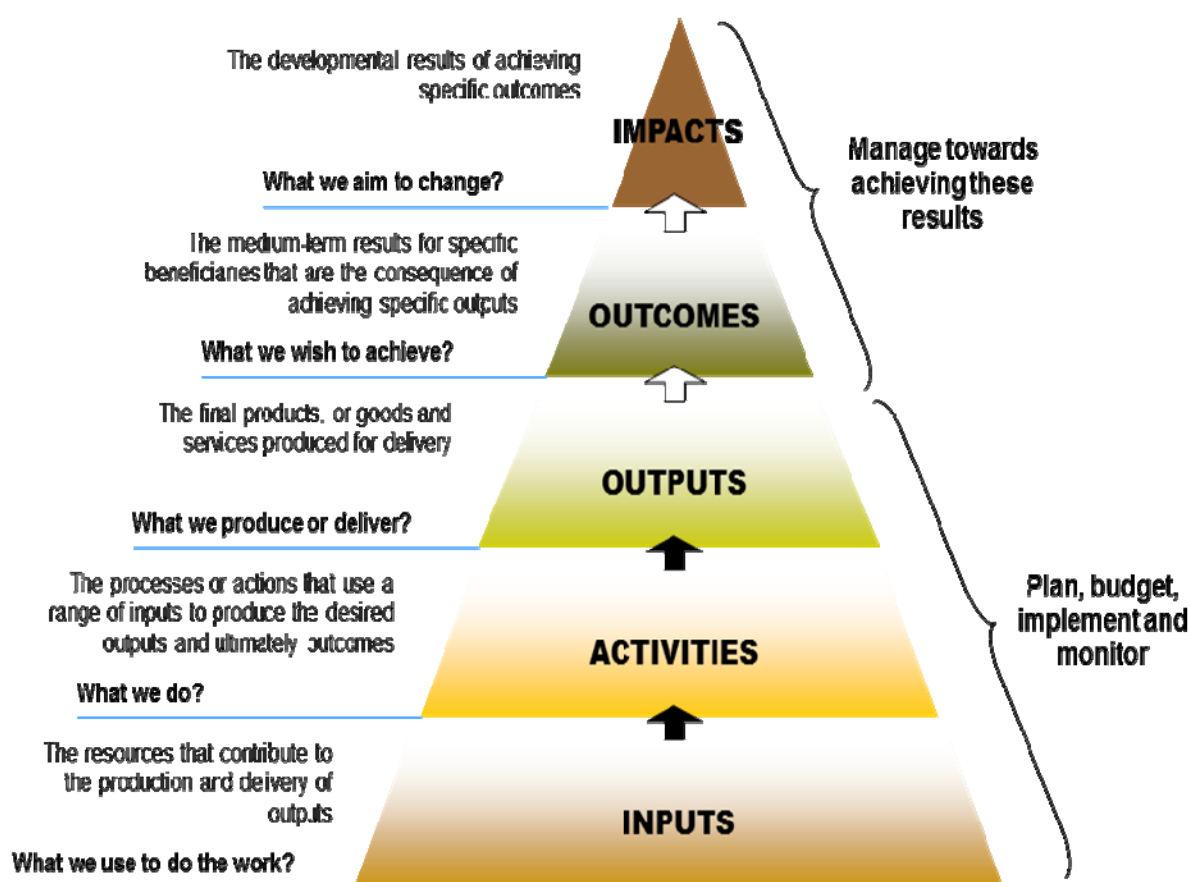


Figure 2 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 29 MBRR Table SA7 - Measurable performance objectives

NC078 Siyancuma - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Municipal Manager										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
And so on for the rest of the Votes										

1.10.1 Performance indicators and benchmarks

1.10.1.1 Borrowing Management

- The municipality does not foresee any borrowing during the MTREF.

1.10.1.2 Safety of Capital

- Gearing: no borrowing will be undertaken.

1.10.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities. For the 2013/14 MTREF the current ratio is 1.4:1 in the 2013/14 financial year.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to erase or redeem, its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1:1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

1.10.1.4 Revenue Management

- The revenue value chain must be enhanced to ensuring accurate billing, customer service, credit control and debt collection.

1.10.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.

1.10.1.6 Other Indicators

- The electricity distribution losses increase from 33.85% in the 2013/14 financial year to 40.78 per cent over the MTREF. The initiatives to ensure these targets are decreasing the following measurements is in place achieved, managing illegal connections and theft of electricity by rolling out our own metering systems, including prepaid meters.

1.10.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality.

For the 2013/14 financial year 3527 registered indigents have been provided for in the budget with this figured increasing to 4000 by 2014/15. In terms of the Municipality's indigent policy

registered households are entitled to 6kl free water, 50 kwh of Electricity, sanitation and free waste removal as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

1.11 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

1.11.1 Review of credit control and debt collection procedures/policies

POLICIES	AMENDED	COMMENTS
Tariff Policy	Yes	
Free Basic Services Policy	Yes	
Credit control and debt Collection Policy	Yes	
Property rates Policy	Yes	
Supply Chain Management Policy	Yes	
Investment Policy	Yes	

1.12 Overview of budget assumptions

1.12.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

1.12.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2013/14 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk Electricity and water; and

- The increase in the cost of remuneration. Employee related costs comprise 36 per cent of total operating expenditure in the 2013/14 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC concluded with the municipal workers unions on 31 July 2010 as well as the categorisation and job evaluation wage curves collective agreement signed on 21 April 2010 must be noted. No agreement has been reached for the MTREF and a 10% increase for 2013/14 has been budgeted for

1.12.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (75 per cent) of annual billings. Cash flow is assumed to be 75 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

1.12.4 Salary increases

No collective agreement regarding salaries/wages has been concluded thus far. An ten per cent increase is budgeted for.

1.12.5 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2013/14 MTREF of which performance has been factored into the cash flow budget.

1.13 Overview of budget funding

1.13.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 30 Breakdown of the operating revenue over the medium-term

DESCRIPTION R thousands	2013/14 Medium Term Revenue & Expenditure Framework				
	Budget Year 2013/14	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Property Rates	9 326	10 143	9%	10 853	7%
Service Charges	56 043	59 966	7%	64 164	7%
Investment revenue	260	260	0%	260	0%
Transfers recognised – operational	40 276	43 839	9%	47 319	8%

Other own revenue	10 149	10 686	5%	11 435	7%
Total Operating Revenue (excluding capital transfers and contributions)	116 054	124 894	8%	134 031	7%
Total Operating Expenditure	129 328	135 895	5%	149 156	10%
Surplus/(Deficit)	(13 273)	(11 001)	17%	(15 125)	-37%

Table 31 MBRR SA15 – Detail Investment Information

NC078 Siyancuma - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

The municipalities have no investments

Table 32 MBRR SA16 – Investment particulars by maturity

NC078 Siyancuma - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months									
Parent municipality	1										
Name of institution & investment ID											
Municipality sub-total										-	-
Entities											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST	1									-	-

The municipality has no investments.

1.13.2 Medium-term outlook: capital revenue

Table 38 Sources of capital revenue over the MTREF

Description	Current year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework					
	Adjusted budget		Budget year 2013/14	%	Budget year 2014/15	%	Budget year 2015/16	%
National Government	33 513		25 275	-24%	16 223	-35%	18 588	15%
Provincial Government	624		630	1%		- 100%		
Transfers recognised- capital								
Public contributions								
Borrowing								
Internally generated funds	1 810		610	-66%	373	-39%	360	-3%
Total capital funding	35 947		26 515	-26%	22,912	-14%	25,150	10%

Capital grants and receipts fund a major portion of capital expenditure.

Table 33 MBRR Table SA 17 - Detail of borrowings

NC078 Siyancuma - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)		522	3 067	4 078	3 627	3 627	3 627	3 312	2 719	2 272
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	522	3 067	4 078	3 627	3 627	3 627	3 312	2 719	2 272
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	522	3 067	4 078	3 627	3 627	3 627	3 312	2 719	2 272

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Table 34 MBRR Table SA 18 - Capital transfers and grant receipts

NC078 Siyancuma - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		29 034	34 820	36 808	37 205	37 205	37 205	40 906	43 789	47 319
Local Government Equitable Share		20 680	25 280	31 614	34 281	34 281	34 281	36 736	41 105	44 402
Finance Management		850	1 200	1 450	1 500	1 500	1 500	1 650	1 750	1 950
Municipal Systems Improvement		750	750	790	800	800	800	890	934	967
Water Services Operating Subsidy										
Integrated National Electrification Programme		922	1 483	2 308				1 000	-	-
EPWP Incentive										
Other transfers/grants		5 832	6 106	646	624	624	624	630	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Health subsidy										
Sport and Recreation			-	-						
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
LGSETA										
Royalties/Mines										
Total Operating Transfers and Grants	5	29 034	34 820	36 808	37 205	37 205	37 205	40 906	43 789	47 319
Capital Transfers and Grants										
National Government:		12 039	12 567	16 910	21 113	21 113	21 113	25 275	18 023	18 588
Municipal Infrastructure Grant (MIG)		12 039	12 567	16 910	20 513	20 513	20 513	19 475	16 023	16 588
Rural Households Infrastructure								3 200	-	-
Regional Bulk Infrastructure										
Electrification Grant					600	600	600	2 600	2 000	2 000
Provincial Government:		488	-	-	-	-	-	-	-	-
Housing		488								
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
LGSETA										
Total Capital Transfers and Grants	5	12 527	12 567	16 910	21 113	21 113	21 113	25 275	18 023	18 588
TOTAL RECEIPTS OF TRANSFERS & GRANTS		41 561	47 387	53 718	58 318	58 318	58 318	66 181	61 812	65 907

1.13.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

Table 35 MBRR Table A7 - Budget cash flow statement

NC078 Siyancuma - Table A7 Budgeted Cash Flows

2009/10 Statement - Table A7 Budgeted Cash Flows												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
			28 947	33 216	42 483	56 362	64 633	64 633	64 633	83 202	75 644	80 938
		1	23 003	27 307	34 004	37 981	37 981	37 981	37 981	40 276	43 953	47 441
		1	16 790	17 029	7 122	26 737	34 137	34 137	34 137	25 905	18 023	18 588
			657	1 070	1 443	630	790	790	790	790	660	690
						-				-	-	-
Payments												
			(43 507)	(52 157)	(65 248)	(85 960)	(104 460)	(104 460)	(104 460)	(114 971)	(120 846)	(133 353)
			(1 319)	(1 930)	(1 526)	(450)	(450)	(450)	(450)	(450)	(473)	(563)
		1	-	(165)	(14)	(7 297)	(7 237)	(7 237)	(7 237)	(7 672)	(8 068)	(8 633)
NET CASH FROM/(USED) OPERATING ACTIVITIES			24 571	24 369	18 263	28 003	25 393	25 393	25 393	27 079	8 892	5 108
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
				-	104							
				16								
			(16)									
Payments												
			(14 636)	(18 920)	(12 081)	(27 329)	(35 947)	(35 947)	(35 947)	(26 515)	(16 596)	(18 948)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(14 652)	(18 904)	(11 978)	(27 329)	(35 947)	(35 947)	(35 947)	(26 515)	(16 596)	(18 948)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
			(679)	3 459	2 966							
			7	11	(9)							
Payments												
			(132)	(2 384)	(1 036)	(640)	(640)	(640)	(640)	(565)	(593)	(447)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(804)	1 086	1 921	(640)	(640)	(640)	(640)	(565)	(593)	(447)
NET INCREASE/ (DECREASE) IN CASH HELD			9 115	6 551	8 205	34	(11 194)	(11 194)	(11 194)	(0)	(8 297)	(14 287)
		2	(2 502)	6 613	13 164	21 370	21 370	10 176	21 370	10 176	10 175	1 879
		2	6 613	13 164	21 370	21 404	10 176	(1 018)	10 176	10 175	1 879	(12 409)

1.13.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 36 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

NC078 Siyancuma - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	6 613	13 164	21 370	21 404	10 176	(1 018)	10 176	10 175	1 879	(12 409)
Other current investments > 90 days		(0)	(0)	2 642	106	11 334	22 528	11 334	11 334	19 631	33 918
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		6 613	13 164	24 012	21 509	21 509	21 509	21 509	21 509	21 509	21 509
Application of cash and investments											
Unspent conditional transfers		6 880	9 950	22 543	22 543	22 543	22 543	22 543	22 543	22 543	22 543
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(1 768)	(5 373)	(8 548)	(1 094)	(2 171)	(2 171)	(2 171)	3 637	4 133	4 134
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		5 112	4 577	13 995	21 449	20 372	20 372	20 372	26 180	26 676	26 677
Surplus(shortfall)		1 501	8 587	10 017	61	1 138	1 138	1 138	(4 670)	(5 166)	(5 167)

1.13.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

NC078 Siyancuma Supporting Table SA10 Funding measurement

WC076 Stantonville Supporting Table SA70 Funding measurement												
Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	6 613	13 164	21 370	21 404	10 176	(1 018)	10 176	10 175	1 879	(12 409)
Cash + investments at the yr end less applications - R'000	18(1)b	2	1 501	8 587	10 017	61	1 138	1 138	1 138	(4 670)	(5 166)	(5 167)
Cash year end/monthly employee/supplier payments	18(1)b	3	1,8	2,9	3,7	2,9	1,3	(0,1)	1,3	1,2	0,2	(1,2)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	18 871	14 488	(406)	11 031	10 147	10 147	10 147	12 632	15 222	3 463
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	9,4%	(6,7%)	16,1%	2,6%	(6,0%)	(6,0%)	12,9%	1,3%	1,0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	75,2%	73,6%	96,3%	99,3%	112,7%	112,7%	112,7%	110,2%	93,6%	93,6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	4,3%	15,8%	19,4%	15,7%	14,4%	14,4%	14,4%	12,0%	11,8%	11,6%
Capital payments % of capital expenditure	18(1)c:19	8	100,0%	101,0%	105,4%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (ex cl. transfers)	18(1)c	9	(4665,1%)	89,7%	61,4%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Gov't legislated/gazetted allocations	18(1)a	10								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	27,6%	9,1%	(49,7%)	0,0%	0,0%	0,0%	(62,9%)	0,0%	0,0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1,2%	0,7%	1,1%	2,5%	2,9%	2,9%	3,6%	3,4%	3,4%	3,5%
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

1.13.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The municipality show a positive cash equivalent position for the MTREF period

1.13.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

1.13.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

1.13.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2013/14 MTREF the indicative outcome is a surplus of R0 after the non-cash items is deducted.

1.13.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth.

1.13.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

1.13.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. Adequate provision has been appropriated the MTREF period.

1.13.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

1.13.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

1.13.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

1.13.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the municipality's policy of settling debtor accounts within 30 days.

1.13.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 60 MBRR SA34C.

1.13.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b.

1.14 Expenditure on grants and reconciliations of unspent funds

Table 37 MBRR SA19 - Expenditure on transfers and grant programmes

NC078 Siyancuma - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		28 851	33 547	36 505	37 205	37 205	37 205	40 906	43 789	47 319
Local Government Equitable Share		20 680	25 280	31 614	34 281	34 281	34 281	36 736	41 105	44 402
Finance Management		850	908	1 417	1 500	1 500	1 500	1 650	1 750	1 950
Municipal Systems Improvement		726	750	790	800	800	800	890	934	967
Water Services Operating Subsidy										
Integrated National Electrification Programme		922	503	2 308						
EPWP Incentive								1 000	-	-
Other transfers/grants		5 673	6 106	376	624	624	624	630	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Health subsidy										
Sport and Recreation										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
LGSETA										
Total operating expenditure of Transfers and Grants		28 851	33 547	36 505	37 205	37 205	37 205	40 906	43 789	47 319
Capital expenditure of Transfers and Grants										
National Government:		8 774	17 130	4 529	21 113	21 113	21 113	25 275	18 023	18 588
Municipal Infrastructure Grant (MIG)		8 774	17 130	4 529	20 513	20 513	20 513	19 475	16 023	16 588
Rural Households Infrastructure								3 200	-	-
Regional Bulk Infrastructure										
Electrification Grant					600	600	600	2 600	2 000	2 000
Provincial Government:		488	-	-	-	-	-	-	-	-
Housing		488	-	-						
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
LGSETA										
Total capital expenditure of Transfers and Grants		9 263	17 130	4 529	21 113	21 113	21 113	25 275	18 023	18 588
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		38 114	50 677	41 033	58 318	58 318	58 318	66 181	61 812	65 907

Table 38 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

NC078 Siyancuma - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year			5 702	9 120						
Current year receipts			13 757	19 218						
Conditions met - transferred to revenue		-	10 340	6 896	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities			9 120	21 442						
Provincial Government:										
Balance unspent at beginning of the year			531	663						
Current year receipts			420	503						
Conditions met - transferred to revenue		-	288	289	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities			663	877						
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	10 627	7 184	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	-	9 783	22 319	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	10 627	7 184	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		-	9 783	22 319	-	-	-	-	-	-

1.15 Councillor and employee benefits

Table 39 MBRR SA22 - Summary of councillor and staff benefits

NC078 Siyancoma - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		1 006	1 375	1 638	2 623	2 623	2 623	2 886	3 030	3 242
Pension and UIF Contributions		292	10	-						
Medical Aid Contributions										
Motor Vehicle Allowance		460	435	552						
Cellphone Allowance		108	114	132	183	183	183	202	212	227
Housing Allowances										
Other benefits and allowances					100	100	100	100	-	-
Sub Total - Councillors	4	1 866	1 933	2 322	2 907	2 907	2 907	3 187	3 242	3 469
% increase			3,6%	20,1%	25,2%	-	-	9,7%	1,7%	7,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		522	851	1 737	1 891	1 891	1 891	2 070	2 174	2 326
Pension and UIF Contributions		89	153	244	378	378	378	414	435	465
Medical Aid Contributions										
Overtime										
Performance Bonus		15	15	30						
Motor Vehicle Allowance	3	177	277	445	336	336	336	368	386	413
Cellphone Allowance	3		10	19	19	19	19	21	22	24
Housing Allowances	3	89	103	47	33	33	33	36	38	40
Other benefits and allowances	3	10	24	36	38	38	38	42	44	47
Payments in lieu of leave		16								
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality	4	918	1 434	2 557	2 695	2 695	2 695	2 951	3 098	3 315
% increase			56,2%	78,3%	5,4%	-	-	9,5%	5,0%	7,0%
Other Municipal Staff										
Basic Salaries and Wages		12 052	12 550	17 867	20 917	24 537	24 537	27 940	29 337	31 392
Pension and UIF Contributions		3 362	3 313	3 627	4 263	4 629	4 629	5 559	5 837	6 246
Medical Aid Contributions					1 902	1 807	1 807	2 004	2 104	2 252
Overtime		944	985	1 090	1 109	1 485	1 485	1 146	1 203	1 288
Performance Bonus		914	1 064	1 027						
Motor Vehicle Allowance	3	2 134	2 053	1 996	1 721	1 304	1 304	2 107	2 212	2 367
Cellphone Allowance	3				64	64	64	68	71	76
Housing Allowances	3	357	415	387	369	372	372	378	397	425
Other benefits and allowances	3	354	383	882	1 793	1 756	1 756	592	621	665
Payments in lieu of leave		(562)	(351)	1 053	224	340	340	304	319	342
Long service awards		126	146	124						
Post-retirement benefit obligations	6	480	255	321						
Sub Total - Other Municipal Staff	4	20 163	20 813	28 375	32 361	36 294	36 294	40 098	42 103	45 051
% increase			3,2%	36,3%	14,0%	12,2%	-	10,5%	5,0%	7,0%
Total Parent Municipality		22 947	24 180	33 254	37 962	41 895	41 895	46 236	48 443	51 835
			5,4%	37,5%	14,2%	10,4%	-	10,4%	4,8%	7,0%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities	4	-	-	-	-	-	-	-	-	-
% increase			-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities	4	-	-	-	-	-	-	-	-	-
% increase			-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities	4	-	-	-	-	-	-	-	-	-
% increase			-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		22 947	24 180	33 254	37 962	41 895	41 895	46 236	48 443	51 835
% increase	4		5,4%	37,5%	14,2%	10,4%	-	10,4%	4,8%	7,0%
TOTAL MANAGERS AND STAFF	5,7	21 081	22 246	30 932	35 056	38 988	38 988	43 049	45 201	48 366

Table 40 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

NC078 Siyancuma - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		507 345		182 245			689 590
Chief Whip			208 721		64 864			273 584
Executive Mayor								-
Deputy Executive Mayor								-
Executive Committee								-
Total for all other councillors			2 169 625		54 667			2 224 292
Total Councillors	8	-	2 885 691	-	301 775			3 187 466
Senior Managers of the Municipality	5							
Municipal Manager (MM)			578 160	86 260	407 959			1 072 379
Chief Finance Officer			966 359	-	78 166			1 044 526
Head: Technical Services			525 600	27 879	280 237			833 716
								-
								-
<i>List of each official with packages >= senior manager</i>								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	2 070 119	114 140	766 362	-		2 950 621

Table 41 MBRR SA24 – Summary of personnel numbers

NC078 Siyancuma - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2011/12			Current Year 2012/13			Budget Year 2013/14		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		11			11			11		11
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	4	1	3	4	1	2	3	–	3
Other Managers	7									
Professionals		29	24	5	29	24	5	47	36	5
<i>Finance</i>		24	24		24	24		36	36	
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		5		5	5		5	5		5
Technicians		79	79	–	79	79	–	97	97	–
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>		17	17		17	17		28	28	
<i>Electricity</i>		8	8		8	8		9	9	
<i>Water</i>		8	8		8	8		11	11	
<i>Sanitation</i>		14	14		14	14		24	24	
<i>Refuse</i>		19	19		19	19		13	13	
<i>Other</i>		13	13		13	13		12	12	
Clerks (Clerical and administrative)		27	27		27	27		36	36	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	150	131	8	150	131	7	188	169	19
% Increase					–	–	(12,5%)	25,3%	29,0%	171,4%
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

1.16 Monthly targets for revenue, expenditure and cash flow

Table 42 MBRR SA25 - Budgeted monthly revenue and expenditure

NC078 Siyancuma - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source																
Property rates		777	777	777	777	777	777	777	777	777	777	777	777	9 326	10 143	10 853
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	32 262	34 521	36 937
Service charges - water revenue		1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	12 826	13 723	14 684
Service charges - sanitation revenue		467	467	467	467	467	467	467	467	467	467	467	467	5 606	5 999	6 418
Service charges - refuse revenue		446	446	446	446	446	446	446	446	446	446	446	446	5 349	5 724	6 124
Service charges - other		13	13	13	13	13	13	13	13	13	13	13	13	161	172	184
Rental of facilities and equipment		84	84	84	84	84	84	84	84	84	84	84	84	1 005	1 076	1 151
Interest earned - external investments		22	22	22	22	22	22	22	22	22	22	22	22	260	260	260
Interest earned - outstanding debtors		44	44	44	44	44	44	44	44	44	44	44	44	530	400	430
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		610	610	610	610	610	610	610	610	610	610	610	610	7 324	7 837	8 385
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		59	59	59	59	59	59	59	59	59	59	59	59	711	761	814
Transfers recognised - operational		3 356	3 356	3 356	3 356	3 356	3 356	3 356	3 356	3 356	3 356	3 356	3 356	40 276	43 839	47 319
Other revenue		35	35	35	35	35	35	35	35	35	35	35	35	419	441	471
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	116 054	124 894	134 031
Expenditure By Type																
Employee related costs		3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	43 049	45 201	48 366
Remuneration of councillors		266	266	266	266	266	266	266	266	266	266	266	266	3 187	3 242	3 469
Debt impairment		667	667	667	667	667	667	667	667	667	667	667	667	8 000	8 400	8 820
Depreciation & asset impairment		781	781	781	781	781	781	781	781	781	781	781	781	9 373	10 029	10 731
Finance charges		38	38	38	38	38	38	38	38	38	38	38	38	450	473	563
Bulk purchases		2 529	2 529	2 529	2 529	2 529	2 529	2 529	2 529	2 529	2 529	2 529	2 529	30 350	31 868	38 153
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		288	288	288	288	288	288	288	288	288	288	288	288	3 457	3 630	3 884
Transfers and grants		639	639	639	639	639	639	639	639	639	639	639	639	7 672	8 055	8 619
Other expenditure		1 982	1 982	1 982	1 982	1 982	1 982	1 982	1 982	1 982	1 982	1 982	1 982	23 789	24 997	26 552
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	129 328	135 895	149 156
Surplus/(Deficit)		(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(13 273)	(11 001)	(15 125)
Transfers recognised - capital		2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	25 905	26 223	18 588
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	12 632	15 222	3 463
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	12 632	15 222	3 463

Table 43 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

NC078 Siyancuma - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue by Vote																
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		146	146	146	146	146	146	146	146	146	146	146	146	1 756	2 080	2 080
Vote 3 - CORPORATE SERVICES		21	21	21	21	21	21	21	21	21	21	21	21	247	265	283
Vote 4 - BUDGET OFFICE (FINANCE)		3 334	3 334	3 334	3 334	3 334	3 334	3 334	3 334	3 334	3 334	3 334	3 334	40 008	44 401	48 050
Vote 5 - PROPERTIES		7	7	7	7	7	7	7	7	7	7	7	7	88	94	100
Vote 6 - COMMUNITY SERVICES		10	10	10	10	10	10	10	10	10	10	10	10	114	120	129
Vote 7 - TRAFFIC		670	670	670	670	670	670	670	670	670	670	670	670	8 035	8 598	9 200
Vote 8 - HOLIDAY RESORT		70	70	70	70	70	70	70	70	70	70	70	70	840	899	962
Vote 9 - WASTE WATER MANAGEMENT		715	715	715	715	715	715	715	715	715	715	715	715	8 581	9 182	9 824
Vote 10 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		643	643	643	643	643	643	643	643	643	643	643	643	7 716	8 256	8 833
Vote 12 - PUBLIC WORKS		83	83	83	83	83	83	83	83	83	83	83	83	1 000	-	-
Vote 13 - ELECTRICITY		2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	33 596	35 947	38 464
Vote 14 - WATER		1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	14 074	15 054	16 106
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	116 054	124 894	134 031
Expenditure by Vote to be appropriated																
Vote 1 - MUNICIPAL MANAGER		192	192	192	192	192	192	192	192	192	192	192	192	2 304	2 419	2 589
Vote 2 - COUNCIL		376	376	376	376	376	376	376	376	376	376	376	376	4 517	4 626	4 949
Vote 3 - CORPORATE SERVICES		1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	13 570	14 248	15 211
Vote 4 - BUDGET OFFICE (FINANCE)		2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	26 968	28 339	30 150
Vote 5 - PROPERTIES		129	129	129	129	129	129	129	129	129	129	129	129	1 544	1 626	1 728
Vote 6 - COMMUNITY SERVICES		396	396	396	396	396	396	396	396	396	396	396	396	4 754	5 061	5 445
Vote 7 - TRAFFIC		204	204	204	204	204	204	204	204	204	204	204	204	2 451	2 573	2 740
Vote 8 - HOLIDAY RESORT		63	63	63	63	63	63	63	63	63	63	63	63	755	795	797
Vote 9 - WASTE WATER MANAGEMENT		780	780	780	780	780	780	780	780	780	780	780	780	9 365	9 833	10 545
Vote 10 - DISASTER MANAGEMENT		43	43	43	43	43	43	43	43	43	43	43	43	518	544	582
Vote 11 - WASTE MANAGEMENT		937	937	937	937	937	937	937	937	937	937	937	937	11 242	11 804	12 631
Vote 12 - PUBLIC WORKS		833	833	833	833	833	833	833	833	833	833	833	833	9 994	10 493	11 101
Vote 13 - ELECTRICITY		3 012	3 012	3 012	3 012	3 012	3 012	3 012	3 012	3 012	3 012	3 012	3 012	36 148	37 955	44 657
Vote 14 - WATER		433	433	433	433	433	433	433	433	433	433	433	433	5 197	5 457	5 905
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	129 328	135 776	149 030
Surplus/(Deficit) before assoc.		(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(13 273)	(10 882)	(14 998)
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(13 273)	(10 882)	(14 998)

Table 44 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

NC078 Siyancuma - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard																
<i>Governance and administration</i>		3 508	3 508	3 508	3 508	3 508	3 508	3 508	3 508	3 508	3 508	3 508	3 508	42 099	46 839	50 514
Executive and council		146	146	146	146	146	146	146	146	146	146	146	146	1 756	2 080	2 080
Budget and treasury office		3 334	3 334	3 334	3 334	3 334	3 334	3 334	3 334	3 334	3 334	3 334	3 334	40 008	44 401	48 050
Corporate services		28	28	28	28	28	28	28	28	28	28	28	28	335	359	384
<i>Community and public safety</i>		80	80	80	80	80	80	80	80	80	80	80	80	954	1 019	1 090
Community and social services		10	10	10	10	10	10	10	10	10	10	10	10	114	120	129
Sport and recreation		70	70	70	70	70	70	70	70	70	70	70	70	840	899	962
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		753	753	753	753	753	753	753	753	753	753	753	753	9 035	8 598	9 200
Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Road transport		753	753	753	753	753	753	753	753	753	753	753	753	9 035	8 598	9 200
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		5 330	5 330	5 330	5 330	5 330	5 330	5 330	5 330	5 330	5 330	5 330	5 330	63 966	68 439	73 228
Electricity		2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	33 596	35 947	38 464
Water		1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	14 074	15 054	16 106
Waste water management		715	715	715	715	715	715	715	715	715	715	715	715	8 581	9 182	9 824
Waste management		643	643	643	643	643	643	643	643	643	643	643	643	7 716	8 256	8 833
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Standard		9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	116 054	124 894	134 031
Expenditure - Standard																
<i>Governance and administration</i>		4 075	4 075	4 075	4 075	4 075	4 075	4 075	4 075	4 075	4 075	4 075	4 075	48 904	51 259	54 626
Executive and council		568	568	568	568	568	568	568	568	568	568	568	568	6 821	7 045	7 537
Budget and treasury office		2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	26 968	28 339	30 150
Corporate services		1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	15 114	15 875	16 939
<i>Community and public safety</i>		502	502	502	502	502	502	502	502	502	502	502	502	6 028	6 400	6 825
Community and social services		239	239	239	239	239	239	239	239	239	239	239	239	2 873	3 080	3 324
Sport and recreation		188	188	188	188	188	188	188	188	188	188	188	188	2 251	2 367	2 479
Public safety		43	43	43	43	43	43	43	43	43	43	43	43	518	544	582
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		32	32	32	32	32	32	32	32	32	32	32	32	385	409	440
<i>Economic and environmental services</i>		1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	12 445	13 067	13 841
Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Road transport		1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	1 037	12 445	13 067	13 841
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	61 952	65 050	73 738
Electricity		3 012	3 012	3 012	3 012	3 012	3 012	3 012	3 012	3 012	3 012	3 012	3 012	36 148	37 955	44 657
Water		433	433	433	433	433	433	433	433	433	433	433	433	5 197	5 457	5 905
Waste water management		780	780	780	780	780	780	780	780	780	780	780	780	9 365	9 833	10 545
Waste management		937	937	937	937	937	937	937	937	937	937	937	937	11 242	11 804	12 631
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard		10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	129 328	135 776	149 029
Surplus/(Deficit) before assoc.		(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(13 273)	(10 882)	(14 998)
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(1 106)	(13 273)	(10 882)	(14 998)

Table 45 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

NC078 Siyancuma - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Multi-year expenditure to be appropriated	1															
Vote 1 - MUNICIPAL MANAGER													-	-	-	-
Vote 2 - COUNCIL													-	-	-	-
Vote 3 - CORPORATE SERVICES													-	-	-	-
Vote 4 - BUDGET OFFICE (FINANCE)													-	-	-	-
Vote 5 - PROPERTIES													-	-	-	-
Vote 6 - COMMUNITY SERVICES													-	-	-	-
Vote 7 - TRAFFIC													-	-	-	-
Vote 8 - HOLIDAY RESORT													-	-	-	-
Vote 9 - WASTE WATER MANAGEMENT													-	-	-	-
Vote 10 - DISASTER MANAGEMENT													-	-	-	-
Vote 11 - WASTE MANAGEMENT													-	-	-	-
Vote 12 - PUBLIC WORKS													-	-	-	-
Vote 13 - ELECTRICITY													-	-	-	-
Vote 14 - WATER													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		8	8	8	8	8	8	8	8	8	8	8	8	100	-	-
Vote 3 - CORPORATE SERVICES		11	11	11	11	11	11	11	11	11	11	11	11	130	137	130
Vote 4 - BUDGET OFFICE (FINANCE)		11	11	11	11	11	11	11	11	11	11	11	11	130	137	130
Vote 5 - PROPERTIES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY SERVICES		53	53	53	53	53	53	53	53	53	53	53	53	630	-	-
Vote 7 - TRAFFIC		21	21	21	21	21	21	21	21	21	21	21	21	250	100	100
Vote 8 - HOLIDAY RESORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE WATER MANAGEMENT		267	267	267	267	267	267	267	267	267	267	267	267	3 200	-	-
Vote 10 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - PUBLIC WORKS		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - ELECTRICITY		217	217	217	217	217	217	217	217	217	217	217	217	2 600	200	2 000
Vote 14 - WATER		1 623	1 623	1 623	1 623	1 623	1 623	1 623	1 623	1 623	1 623	1 623	1 623	19 475	16 023	16 588
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	26 515	16 596	18 948
Total Capital Expenditure	2	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	26 515	16 596	18 948

Table 46 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

NC078 Siyancuma - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		30	30	30	30	30	30	30	30	30	30	30	30	360	273	260
Executive and council		8	8	8	8	8	8	8	8	8	8	8	8	100	-	-
Budget and treasury office		11	11	11	11	11	11	11	11	11	11	11	11	130	137	130
Corporate services		11	11	11	11	11	11	11	11	11	11	11	11	130	137	130
<i>Community and public safety</i>		73	73	73	73	73	73	73	73	73	73	73	73	880	100	100
Community and social services		53	53	53	53	53	53	53	53	53	53	53	53	630	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		21	21	21	21	21	21	21	21	21	21	21	21	250	100	100
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	25 275	16 223	18 588
Electricity		217	217	217	217	217	217	217	217	217	217	217	217	2 600	200	2 000
Water		1 623	1 623	1 623	1 623	1 623	1 623	1 623	1 623	1 623	1 623	1 623	1 623	19 475	16 023	16 588
Waste water management		267	267	267	267	267	267	267	267	267	267	267	267	3 200	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	2 210	26 515	16 596	18 948

Table 47 MBRR SA30 - Budgeted monthly cash flow

NC078 Siyncuma - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Receipts By Source													1		
Property rates	777	777	777	777	777	777	777	777	777	777	777	777	9 326	10 143	10 853
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	32 262	34 521	36 937
Service charges - water revenue	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	12 826	1 372	14 684
Service charges - sanitation revenue	467	467	467	467	467	467	467	467	467	467	467	467	5 606	5 999	6 418
Service charges - refuse revenue	446	446	446	446	446	446	446	446	446	446	446	446	5 349	5 724	6 124
Service charges - other	13	13	13	13	13	13	13	13	13	13	13	13	161	172	184
Rental of facilities and equipment	84	84	84	84	84	84	84	84	84	84	84	84	1 005	1 076	1 151
Interest earned - external investments	22	22	22	22	22	22	22	22	22	22	22	22	260	260	260
Interest earned - outstanding debtors	44	44	44	44	44	44	44	44	44	44	44	44	530	400	430
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	610	610	610	610	610	610	610	610	610	610	610	610	7 324	7 837	8 385
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	59	59	59	59	59	59	59	59	59	59	59	59	711	761	814
Transfer receipts - operational	3 356	3 356	3 356	3 356	3 356	3 356	3 356	3 356	3 356	3 356	3 356	3 356	40 276	43 839	47 319
Other revenue	35	35	35	35	35	35	35	35	35	35	35	35	419	441	471
Cash Receipts by Source	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	9 671	116 054	112 543	134 031
Other Cash Flows by Source															
Transfer receipts - capital	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	25 905	26 223	18 588
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	11 830	11 830	11 830	11 830	11 830	11 830	11 830	11 830	11 830	11 830	11 830	11 830	141 959	138 766	152 619
Cash Payments by Type															
Employee related costs	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	43 049	45 201	48 366
Remuneration of councillors	266	266	266	266	266	266	266	266	266	266	266	266	3 187	3 242	3 469
Finance charges	38	38	38	38	38	38	38	38	38	38	38	38	450	473	563
Bulk purchases - Electricity	2 475	2 475	2 475	2 475	2 475	2 475	2 475	2 475	2 475	2 475	2 475	2 475	29 700	31 185	37 422
Bulk purchases - Water & Sewer	54	54	54	54	54	54	54	54	54	54	54	54	650	683	731
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	288	288	288	288	288	288	288	288	288	288	288	288	3 457	3 630	3 884
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	639	639	639	639	639	639	639	639	639	639	639	639	7 672	8 055	8 619
Other expenditure	3 383	3 383	3 383	3 383	3 383	3 383	3 383	3 383	3 383	3 383	3 383	3 383	40 598	42 834	45 656
Cash Payments by Type	10 730	10 730	10 730	10 730	10 730	10 730	10 730	10 730	10 730	10 730	10 730	10 730	128 763	135 302	148 710
Other Cash Flows/Payments by Type															
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	47	47	47	47	47	47	47	47	47	47	47	47	565	593	447
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	10 777	129 328	135 895	149 156
NET INCREASE/(DECREASE) IN CASH HELD	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	12 632	2 871	3 463
Cash/cash equivalents at the month/year begin:	10 176	11 228	12 281	13 334	14 386	15 439	16 491	17 544	18 597	19 649	20 702	21 755	10 176	22 807	25 679
Cash/cash equivalents at the month/year end:	11 228	12 281	13 334	14 386	15 439	16 491	17 544	18 597	19 649	20 702	21 755	22 807	22 807	25 679	29 142

1.17 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

1.18 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, repair and maintenance of assets, and finally on depreciation.

Table 48 MBRR SA 34a - Capital expenditure on new assets by asset class

NC078 Siyancuma - Supporting Table SA34a Capital expenditure on new assets by asset class

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			14 621	14 879	11 040	26 113	33 843	33 843	25 275	16 223	18 588
Infrastructure - Road transport			4 905	5 355	4 410	-	-	-	-	-	-
Roads, Pavements & Bridges			4 905	5 355	4 410	-	-	-	-	-	-
Storm water											
Infrastructure - Electricity			1 244	555	2 658	600	600	600	2 600	200	2 000
Generation											
Transmission & Reticulation			1 244	555	2 658	600	600	600	2 600	200	2 000
Street Lighting											
Infrastructure - Water			742	7 461	1 909	25 513	32 913	32 913	19 475	16 023	16 588
Dams & Reservoirs											
Water purification			742	7 461	1 909	25 513	32 913	32 913	19 475	16 023	16 588
Reticulation											
Infrastructure - Sanitation			7 730	1 507	2 063	-	-	-	3 200	-	-
Reticulation											
Sewerage purification			7 730	1 507	2 063	-	-	-	3 200	-	-
Infrastructure - Other			-	-	-	-	330	330	-	-	-
Waste Management						-	330	330			
Transportation											
Gas											
Other											
Community			4	-	-	874	1 424	1 424	880	100	100
Parks & gardens											
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries			4	-	-	624	624	624	630	-	-
Recreational facilities											
Fire, safety & emergency						250	550	550	250	100	100
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other						-	250	250			
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings											
Other											
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			11	3 858	424	342	680	680	360	273	260
General vehicles											
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment											
Computers - hardware/equipment											
Furniture and other office equipment			11	3 858	424	342	680	680	360	273	260
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings											
Other Land											
Surplus Assets - (Investment or Inventory)											
Other			-	-	-	-	-	-	-	-	-
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming											
Other (list sub-class)											
Total Capital Expenditure on new assets		1	14 636	18 737	11 464	27 329	35 947	35 947	26 515	16 596	18 948
Specialised vehicles			-	-	-	-	-	-	-	-	-
Refuse											
Fire											
Conservancy											
Ambulances											

Table 58 MBBR SA 34b – Capital expenditure on the renewal of existing assets by asset class

NC078 Siyancuma - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges											
Storm water											
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Generation											
Transmission & Reticulation											
Street Lighting											
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Dams & Reservoirs											
Water purification											
Reticulation											
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Reticulation											
Sewerage purification											
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Waste Management											
Transportation											
Gas											
Other											
Community			-	-	-	-	-	-	-	-	-
Parks & gardens											
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other											
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings											
Other											
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			-	-	-	-	-	-	-	-	-
General vehicles											
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment											
Computers - hardware/equipment											
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings											
Other Land											
Surplus Assets - (Investment or Inventory)											
Other											
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming											
Other (list sub-class)											
Total Capital Expenditure on renewal of existing	1		-	-	-	-	-	-	-	-	-
Specialised vehicles			-	-	-	-	-	-	-	-	-
Refuse											
Fire											
Conservancy											
Ambulances											

Table 49 MBRR SA34c - Repairs and maintenance expenditure by asset class

NC078 Siyancoma - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			3 364	2 083	3 070	5 265	6 936	6 936	8 306	8 723	9 333
Infrastructure - Road transport			3 364	2 083	3 070	1 910	3 166	3 166	4 013	4 213	4 508
Roads, Pavements & Bridges			3 364	2 083	3 070	1 910	3 166	3 166	4 013	4 213	4 508
Storm water											
Infrastructure - Electricity			-	-	-	1 188	1 188	1 188	1 307	1 372	1 468
Generation											
Transmission & Reticulation						1 188	1 188	1 188	1 307	1 372	1 468
Street Lighting											
Infrastructure - Water			-	-	-	1 276	1 276	1 276	1 376	1 444	1 545
Dams & Reservoirs											
Water purification						1 276	1 276	1 276	1 376	1 444	1 545
Reticulation											
Infrastructure - Sanitation			-	-	-	650	825	825	973	1 023	1 095
Reticulation											
Sewerage purification						650	825	825	973	1 023	1 095
Infrastructure - Other			-	-	-	241	482	482	638	670	717
Waste Management						241	482	482	638	670	717
Transportation											
Gas											
Other											
Community			-	-	-	1 041	846	846	1 283	1 347	1 441
Parks & gardens						235	125	125	340	357	382
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries						96	96	96	96	100	107
Recreational facilities						210	210	210	210	221	236
Fire, safety & emergency						340	255	255	467	490	525
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries						100	100	100	110	116	124
Social rental housing											
Other						60	60	60	60	63	67
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings											
Other											
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			-	-	-	1 069	794	794	991	1 040	1 113
General vehicles											
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment											
Computers - hardware/equipment											
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings						221	264	264	291	305	326
Other Buildings						848	530	530	700	735	786
Other Land											
Surplus Assets - (Investment or Inventory)											
Other											
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure		1	3 364	2 083	3 070	7 374	8 576	8 576	10 579	11 109	11 887
Specialised vehicles			-	-	-	-	-	-	-	-	-
Refuse											
Fire											
Conservancy											
Ambulances											
R&M as a % of PPE			1,2%	0,7%	1,1%	2,5%	2,9%	2,9%	3,4%	3,4%	3,5%
R&M as % Operating Expenditure			5,6%	2,8%	3,5%	6,7%	7,2%	7,2%	8,2%	8,2%	8,0%

MBBR SA 34d-Depreciation by asset class

NC078 Siyancuma - Supporting Table SA34d Depreciation by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		9 777	9 961	11 034	6 824	6 868	6 868	6 945	7 431	7 952
Infrastructure - Road transport		9 777	9 961	11 034	3 410	3 410	3 410	3 410	3 649	3 904
Roads, Pavements & Bridges		9 769	9 961	11 034	3 410	3 410	3 410	3 410	3 649	3 904
Storm water		8								
Infrastructure - Electricity		-	-	-	770	770	770	847	906	970
Generation										
Transmission & Reticulation					770	770	770	847	906	970
Street Lighting										
Infrastructure - Water		-	-	-	407	448	448	448	479	513
Dams & Reservoirs										
Water purification					407	448	448	448	479	513
Reticulation										
Infrastructure - Sanitation		-	-	-	2 204	2 204	2 204	2 204	2 358	2 524
Reticulation										
Sewerage purification					2 204	2 204	2 204	2 204	2 358	2 524
Infrastructure - Other		-	-	-	33	36	36	36	39	42
Waste Management					33	36	36	36	39	42
Transportation										
Gas										
Other										
Community		-	-	-	1 452	1 467	1 467	1 467	1 570	1 679
Parks & gardens					198	198	198	198	212	227
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries					132	145	145	145	155	166
Recreational facilities					605	605	605	605	647	693
Fire, safety & emergency					250	250	250	250	268	286
Security and policing										
Buses										
Clinics					8	8	8	8	9	10
Museums & Art Galleries										
Cemeteries					9	10	10	10	11	12
Social rental housing										
Other					250	250	250	250	268	286
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	904	961	961	961	1 028	1 100
General vehicles										
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings					568	625	625	625	669	715
Other Buildings					336	336	336	336	360	385
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Depreciation	1	9 777	9 961	11 034	9 180	9 296	9 296	9 373	10 029	10 731
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

Table 50 MBRR SA35 - Future financial implications of the capital budget

NC078 Siyancuma - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
Capital expenditure	1							
Vote 1 - MUNICIPAL MANAGER		-	-	-				
Vote 2 - COUNCIL		100	-	-				
Vote 3 - CORPORATE SERVICES		130	137	130				
Vote 4 - BUDGET OFFICE (FINANCE)		130	137	130				
Vote 5 - PROPERTIES		-	-	-				
Vote 6 - COMMUNITY SERVICES		630	-	-				
Vote 7 - TRAFFIC		250	100	100				
Vote 8 - HOLIDAY RESORT		-	-	-				
Vote 9 - WASTE WATER MANAGEMENT		3 200	-	-				
Vote 10 - DISASTER MANAGEMENT		-	-	-				
Vote 11 - WASTE MANAGEMENT		-	-	-				
Vote 12 - PUBLIC WORKS		-	-	-				
Vote 13 - ELECTRICITY		2 600	200	2 000				
Vote 14 - WATER		19 475	16 023	16 588				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		26 515	16 596	18 948	-	-	-	-
Future operational costs by vote	2							
Vote 1 - MUNICIPAL MANAGER		-	-	-				
Vote 2 - COUNCIL		10	-	-				
Vote 3 - CORPORATE SERVICES		13	14	13				
Vote 4 - BUDGET OFFICE (FINANCE)		13	14	13				
Vote 5 - PROPERTIES		-	-	-				
Vote 6 - COMMUNITY SERVICES		63	-	-				
Vote 7 - TRAFFIC		25	10	10				
Vote 8 - HOLIDAY RESORT		-	-	-				
Vote 9 - WASTE WATER MANAGEMENT		320	-	-				
Vote 10 - DISASTER MANAGEMENT		-	-	-				
Vote 11 - WASTE MANAGEMENT		-	-	-				
Vote 12 - PUBLIC WORKS		-	-	-				
Vote 13 - ELECTRICITY		260	20	200				
Vote 14 - WATER		1 948	1 602	1 659				
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		2 652	1 660	1 895	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		29 167	18 256	20 843	-	-	-	-

Table 51 MBRR SA36 - Detailed capital budget per municipal vote

NC078 Siyancuma - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Parent municipality:																
<i>List all capital projects grouped by Municipal Vote</i>																
Council		Furniture & Equipment			Yes	<i>Other</i>	<i>Furniture and other office equipment</i>		282	-	82	100	100	-		New
Corporate & Human Resources		Furniture & Equipment			Yes	<i>Other</i>	<i>Furniture and other office equipment</i>		952	424	130	130	137	130		New
Finance		Furniture & Equipment			Yes	<i>Other</i>	<i>Furniture and other office equipment</i>		5 275	-	130	130	137	130		New
Libraries		Furniture & Equipment			Yes	<i>Other</i>	<i>Furniture and other office equipment</i>		1 254	-	624	630	-	-		New
Public Works - Roads		Infrastructure			Yes	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>		4 410	4 410	-	-	-	-		New
Electricity		Infrastructure			Yes	<i>Infrastructure - Electricity</i>	<i>Transmission & Reticulation</i>		8 058	2 658	600	2 600	200	2 000		New
Water		Infrastructure			Yes	<i>Infrastructure - Water</i>	<i>Water purification</i>		79 509	1 909	25 513	19 475	16 023	16 588		New
Waste Water Management		Infrastructure			Yes	<i>Infrastructure - Sanitation</i>	<i>Sewerage purification</i>		5 263	2 063	-	3 200	-	-		New
Traffic		Furniture & Equipment			Yes	<i>Other</i>	<i>General vehicles</i>		250	-	250	-	-	-		New
Traffic		Motor Vehicles			Yes	<i>Other</i>	<i>Furniture and other office equipment</i>		450	-	-	250	100	100		New
Parent Capital expenditure	1											26 515	16 696	18 948		

Table 52 MBRR SA37 - Projects delayed from previous financial year

NC078 Siyancuma - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project R thousand	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
Water		Reservoirs		Infrastructure - Water	Dams & Reservoirs		2011/12	12 400	12 400	-	-	-
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
<i>Entity Name</i> <i>Project name</i>												

1.19 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. They have enrolled on a course to comply with the minimum standards.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detailed SDBIP document, directly aligned and informed by the 201/13 MTREF, has been tabled and is ready for approval by the Mayor.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
MFMA training has commenced.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

1.20 Other supporting documents

Table 53 MBRR Table SA1 - Supporting detail to budgeted financial performance

NC078 Siyancoma - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		4 832	5 746	12 364	14 853	15 815	15 815	15 815	17 539	18 767	20 080
less: Revenue Foregone			11	6 596	7 297	7 797	7 797	7 797	8 213	8 624	9 227
Net Property Rates		4 832	5 734	5 768	7 556	8 018	8 018	8 018	9 326	10 143	10 853
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		18 010	19 813	16 801	23 354	25 693	25 693	25 693	32 262	34 521	36 937
less: Revenue Foregone											
Net Service charges - electricity revenue		18 010	19 813	16 801	23 354	25 693	25 693	25 693	32 262	34 521	36 937
Service charges - water revenue	6										
Total Service charges - water revenue		6 388	8 021	9 548	10 310	10 310	10 310	10 310	12 826	13 723	14 684
less: Revenue Foregone											
Net Service charges - water revenue		6 388	8 021	9 548	10 310	10 310	10 310	10 310	12 826	13 723	14 684
Service charges - sanitation revenue	6										
Total Service charges - sanitation revenue		3 832	4 465	5 169	4 716	5 950	5 950	5 950	5 606	5 999	6 418
less: Revenue Foregone											
Net Service charges - sanitation revenue		3 832	4 465	5 169	4 716	5 950	5 950	5 950	5 606	5 999	6 418
Service charges - refuse revenue	6										
Total refuse removal revenue		3 197	3 825	4 287	4 602	4 914	4 914	4 914	5 349	5 724	6 124
Total landfill revenue											
less: Revenue Foregone											
Net Service charges - refuse revenue		3 197	3 825	4 287	4 602	4 914	4 914	4 914	5 349	5 724	6 124
Other Revenue by source											
other revenue		583	1 846	321	438	599	599	599	419	441	471
Actuarial gains		355	-	358							
Change in Fair Value				592							
Total 'Other' Revenue	3	937	1 846	1 271	438	599	599	599	419	441	471
EXPENDITURE ITEMS:											
Employee related costs	2										
Basic Salaries and Wages		12 966	13 614	18 894	22 808	26 427	26 427	26 427	30 010	31 511	33 718
Pension and UIF Contributions		3 362	3 313	3 627	4 641	5 008	5 008	5 008	5 974	6 272	6 711
Medical Aid Contributions		944	985	1 054	1 902	1 807	1 807	1 807	2 004	2 104	2 252
Overtime					1 109	1 485	1 485	1 485	1 146	1 203	1 288
Performance Bonus											
Motor Vehicle Allowance		2 134	2 053	1 996	2 057	1 640	1 640	1 640	2 475	2 598	2 780
Cellphone Allowance					83	83	83	83	89	93	100
Housing Allowances		357	415	387	401	404	404	404	414	434	465
Other benefits and allowances		354	383	892	1 831	1 794	1 794	1 794	633	665	712
Payments in lieu of leave		(562)	(351)	1 053	224	340	340	340	304	319	342
Long service awards		126	146	124							
Post-retirement benefit obligations	4	480	255	321							
sub-total	5	20 163	20 813	28 349	35 056	38 988	38 988	38 988	43 049	45 201	48 366
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	20 163	20 813	28 349	35 056	38 988	38 988	38 988	43 049	45 201	48 366
Contributions recognised - capital											
Contributed PPE				1 671							
Total Contributions recognised - capital				1 671							
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		9 769	9 961	11 034	9 180	9 296	9 296	9 296	9 373	10 029	10 731
Lease amortisation		8									
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	10	9 777	9 961	11 034	9 180	9 296	9 296	9 296	9 373	10 029	10 731
Bulk purchases	1										
Electricity Bulk Purchases		11 717	14 652	20 611	24 225	27 500	27 500	27 500	29 700	31 185	37 422
Water Bulk Purchases		205		315	650	350	350	350	650	683	731
total bulk purchases	1	11 922	14 652	20 926	24 875	27 850	27 850	27 850	30 350	31 868	38 153
Transfers and grants											
Cash transfers and grants		4 758	4 479	4 751	7 297	7 237	7 237	7 237	7 672	8 055	8 619
Non-cash transfers and grants											
Total transfers and grants	1	4 758	4 479	4 751	7 297	7 237	7 237	7 237	7 672	8 055	8 619
Contracted services											
insurance		555			763	796	796	796	880	924	989
legal		184			1 500	305	305	305	305	320	343
valuation					221	622	622	622	622	653	699
miscellaneous					622	1 500	1 500	1 500	1 650	1 733	1 854
sub-total	1	739			3 107	3 223	3 223	3 223	3 457	3 630	3 884
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		739			3 107	3 223	3 223	3 223	3 457	3 630	3 884
Other Expenditure By Type											
Collection costs					6 525	6 525	6 525	6 525	6 525	6 851	7 330
Contributions to 'other' provisions					1 080	2 500	2 500	2 500	3 000	3 150	3 371
Consultant fees					1 500	1 600	1 600	1 600	1 600	1 680	1 798
Audit fees		1 433			10 994	9 570	9 570	9 570	9 540	10 013	10 695
General expenses	3	3 878	10 659	8 789							
Actuarial losses			2 377	231							
Expenses paid out of grants		2 323	2 192	2 209							
Downloads Post Office						800	800	800	2 550	2 700	2 900
Repayment borrowing						10	10	10	10	10	11
						640	640	640	565	593	447
Total 'Other' Expenditure	1	7 634	15 229	11 230	20 099	21 645	21 645	21 645	23 789	24 997	26 552
Repairs and Maintenance	8										
Employee related costs					1 736	1 901	1 901	1 901	3 144	3 301	3 533
Other materials					3 747	3 682	3 682	3 682	4 188	4 398	4 705
Contracted Services					1 106	1 561	1 561	1 561	927	973	1 041
Other Expenditure		3 364	2 083	3 070	786	1 432	1 432	1 432	2 320	2 437	2 608
Total Repairs and Maintenance Expenditure	9	3 364	2 083	3 070	7 374	8 576	8 576	8 576	10 579	11 109	11 887

Table 54 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

NC078 Siyancuma - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - MUNICIPAL MANAGER	Vote 2 - COUNCIL	Vote 3 - CORPORATE SERVICES	Vote 4 - BUDGET OFFICE (FINANCE)	Vote 5 - PROPERTIES	Vote 6 - COMMUNITY SERVICES	Vote 7 - TRAFFIC	Vote 8 - HOLIDAY RESORT	Vote 9 - WASTE WATER MANAGEMENT	Vote 10 - DISASTER MANAGEMENT	Vote 11 - WASTE MANAGEMENT	Vote 12 - PUBLIC WORKS	Vote 13 - ELECTRICITY	Vote 14 - WATER	0	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	9 326	-	-	-	-	-	-	-	-	-	-	-	9 326
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	32 262	-	-	32 262
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	12 826	-	12 826
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	5 606	-	-	-	-	-	-	5 606
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	5 349	-	-	-	-	5 349
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	161	-	-	161
Rental of facilities and equipment		-	-	-	-	1 005	-	-	-	-	-	-	-	-	-	-	1 005
Interest earned - external investments		-	-	-	260	-	-	-	-	-	-	-	-	-	-	-	260
Interest earned - outstanding debtors		-	-	-	530	-	-	-	-	-	-	-	-	-	-	-	530
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	7 324	-	-	-	-	-	-	-	-	7 324
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	711	-	-	-	-	-	-	-	-	711
Other revenue		-	-	419	-	-	-	-	-	-	-	-	-	-	-	-	419
Transfers recognised - operational		-	-	-	40 276	-	-	-	-	-	-	-	-	-	-	-	40 276
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	419	50 391	1 005	-	8 035	-	5 606	-	5 349	-	32 423	12 826	-	116 054
Expenditure By Type																	
Employee related costs		2 263	-	6 954	10 793	672	3 642	1 780	-	3 773	288	1 896	6 006	3 216	1 765	-	43 049
Remuneration of councillors		-	3 187	-	-	-	-	-	-	-	-	-	-	-	-	-	3 187
Debt impairment		-	-	-	8 000	-	-	-	-	-	-	-	-	-	-	-	8 000
Depreciation & asset impairment		76	83	85	93	625	612	-	605	2 204	-	36	3 410	847	448	250	9 373
Finance charges		-	33	74	33	-	-	-	-	59	-	-	163	24	15	49	450
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	29 700	650	-	30 350
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	1 650	-	-	-	-	-	-	-	-	-	-	-	-	1 650
Transfers and grants		-	-	-	-	-	-	-	-	2 972	-	2 366	-	1 316	1 018	-	7 672
Other expenditure		165	976	7 832	5 462	247	501	-	150	283	230	6 944	190	1 020	1 278	320	25 597
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		2 504	4 279	16 595	24 381	1 544	4 754	1 780	755	9 291	518	11 242	9 769	36 123	5 173	619	129 328
Surplus/(Deficit)		(2 504)	(4 279)	(16 176)	26 011	(539)	(4 754)	6 255	(755)	(3 685)	(518)	(5 893)	(9 769)	(3 700)	7 652	(619)	(13 274)
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(2 504)	(4 279)	(16 176)	26 011	(539)	(4 754)	6 255	(755)	(3 685)	(518)	(5 893)	(9 769)	(3 700)	7 652	(619)	(13 274)

Table 55 MBRR Table SA3 – Supporting detail to Statement of Financial Position

NC078 Siyancuma - Table A6 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Current assets											
Cash		6 613	13 164	24 012	21 509	21 509	21 509	21 509	21 509	21 509	21 509
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	7 829	9 722	11 001	3 001	3 001	3 001	3 001	3 001	3 001	3 001
Other debtors		3 727	5 023	5 089	5 089	5 089	5 089	5 089			
Current portion of long-term receivables											
Inv entory	2	–	100	207	207	207	207	207			
Total current assets		18 168	28 009	40 308	29 806	29 806	29 806	29 806	24 510	24 510	24 510
Non current assets											
Long-term receivables											
Inv estments											
Inv estment property		9 982	9 982	9 982	9 982	9 982	9 982	9 982			
Inv estment in Associate											
Property, plant and equipment	3	270 441	278 641	279 048	296 040	296 040	296 040	296 040	312 611	325 440	339 312
Agricultural			–	–							
Biological		468	468	1 059	1 059	1 059	1 059	1 059			
Intangible		392	523	480	480	480	480	480			
Other non-current assets		16	724	677	677	677	677	677			
Total non current assets		281 299	290 338	291 246	308 238	308 238	308 238	308 238	312 611	325 440	339 312
TOTAL ASSETS		299 468	318 348	331 555	338 044	338 044	338 044	338 044	337 121	349 950	363 822
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	2 010	637	1 321	450	450	450	450	565	593	447
Consumer deposits		173	184	176	176	176	176	176			
Trade and other payables	4	16 554	15 432	29 486	29 486	29 486	29 486	29 486	29 486	29 486	29 486
Provisions											
Total current liabilities		18 737	16 253	30 982	30 112	30 112	30 112	30 112	30 050	30 079	29 933
Non current liabilities											
Borrowing		522	3 067	4 078	3 627	3 627	3 627	3 877	3 312	2 719	2 272
Provisions		7 834	13 934	14 878	16 455	16 455	16 455	16 455	16 455	16 455	16 455
Total non current liabilities		8 356	17 001	18 956	20 082	20 082	20 082	20 332	19 768	19 175	18 728
TOTAL LIABILITIES		27 092	33 254	49 937	50 194	50 194	50 194	50 444	49 818	49 253	48 660
NET ASSETS	5	272 375	285 094	281 617	287 850	287 850	287 850	287 600	287 303	300 697	315 162
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		15 506	12 404	(3 476)	10 466	10 466	10 466	10 466	10 466	10 466	10 466
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	15 506	12 404	(3 476)	10 466	10 466	10 466	10 466	10 466	10 466	10 466

Table 56 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

March 2013 90

Table 57 MBRR SA32 – List of external mechanisms

NC078 Siyancuma - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand

No external mechanisms